



United States Department of Agriculture

Update to Feasibility Study on Implementing SNAP in Puerto Rico Final Report



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Update to Feasibility Study on Implementing SNAP in Puerto Rico

Final Report



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Executive Summary

This feasibility report presents results of a U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) study to assess the administrative, operational, and program integrity changes needed to operate the Supplemental Nutrition Assistance Program (SNAP) in Puerto Rico. FNS administers SNAP in all 50 States, the District of Columbia, and 2 of the 5 U.S. territories—Guam and the Virgin Islands. Puerto Rico, the Commonwealth of the Northern Mariana Islands, and American Samoa each receive a block grant for operating a nutrition assistance program. In Puerto Rico, this program is referred to as the Programa de Asistencia Nutricional, or Nutrition Assistance Program (NAP), and is administered by the Administración de Desarrollo Socioeconómico de la Familia (ADSEF, the Administration for the Socioeconomic Development of the Family).

This study addresses two objectives:

- ▶ Provide a detailed update on the administrative, operational, and program integrity changes required to convert NAP to SNAP.
- ▶ Develop a detailed implementation plan with specific steps, timelines, and cost estimates for reestablishing SNAP in Puerto Rico.

This report fulfills the first objective by presenting in detail the characteristics of NAP and SNAP; describing differences in program rules, regulations, and operations between the two programs; and discussing crucial considerations for Congress, FNS, and ADSEF if Puerto Rico were to implement SNAP. The second objective is addressed in a separate report, *Update to Feasibility Study of Implementing SNAP in Puerto Rico: Implementation Plan* (Thorn et al., 2022). The implementation plan describes in detail the steps ADSEF and FNS would need to take to design and implement SNAP in Puerto Rico, the timeline for implementing each step, and the cost of implementing and maintaining the program.

This executive summary describes the study team’s methods and provides a brief background on NAP in Puerto Rico. The study’s primary findings are presented in four sections: (1) legislative and regulatory changes required to implement SNAP, (2) differences between NAP and SNAP, (3) potential facilitators of and barriers to SNAP implementation, and (4) the timeline and costs associated with implementing SNAP in Puerto Rico.

Methods

The study team drew on three primary types of data to inform the development of this report: (1) an environmental scan and document review, (2) interviews with FNS staff from the National Office and the Mid-Atlantic Regional Office, and (3) interviews with ADSEF staff and other stakeholders in Puerto Rico, including authorized NAP retailers, the Financial Oversight and Management Board of Puerto Rico, community-based organizations, employers, partner government agencies, and emergency management partners. The study team used these data to understand the differences between NAP and SNAP, identify the steps ADSEF and FNS would need to take to implement SNAP, and describe the challenges that would be associated with implementing SNAP and the factors that would ease that transition. All interviews were conducted during fiscal year (FY) 2021, and unless otherwise specified, the documents and program materials reviewed were applicable to that fiscal year.

To estimate the costs of SNAP implementation in Puerto Rico, the study team considered costs for ADSEF labor, FNS labor, consultants, data systems development, and other direct costs. To estimate the costs of ongoing administration in Puerto Rico, the study team began by estimating the number of individuals and households that would participate in SNAP in Puerto Rico. The team accomplished this by using 2019 Puerto Rico Community Survey data in a microsimulation model that applied SNAP eligibility requirement parameters to the microdata and then applied assumptions about likely participation rates. The study team used annual SNAP administration costs across 10 administrative functions from a set of State agencies with caseload sizes, service delivery models, and policy options similar to what is expected in Puerto Rico as a basis for estimating ongoing administrative costs. The study team also estimated ongoing labor costs for FNS. FNS used anticipated SNAP participation in Puerto Rico and average SNAP household benefits in the 48 States and the U.S. Virgin Islands to estimate SNAP benefit costs in Puerto Rico.

The study team assumed Puerto Rico would implement SNAP according to all statutory and regulatory requirements, unless otherwise specified. The team also assumed Puerto Rico and FNS would use typical processes and procedures for standard activities such as hiring and procurements and assumed that Puerto Rico would incorporate best practices for SNAP administration into their implementation to the extent possible.

Background

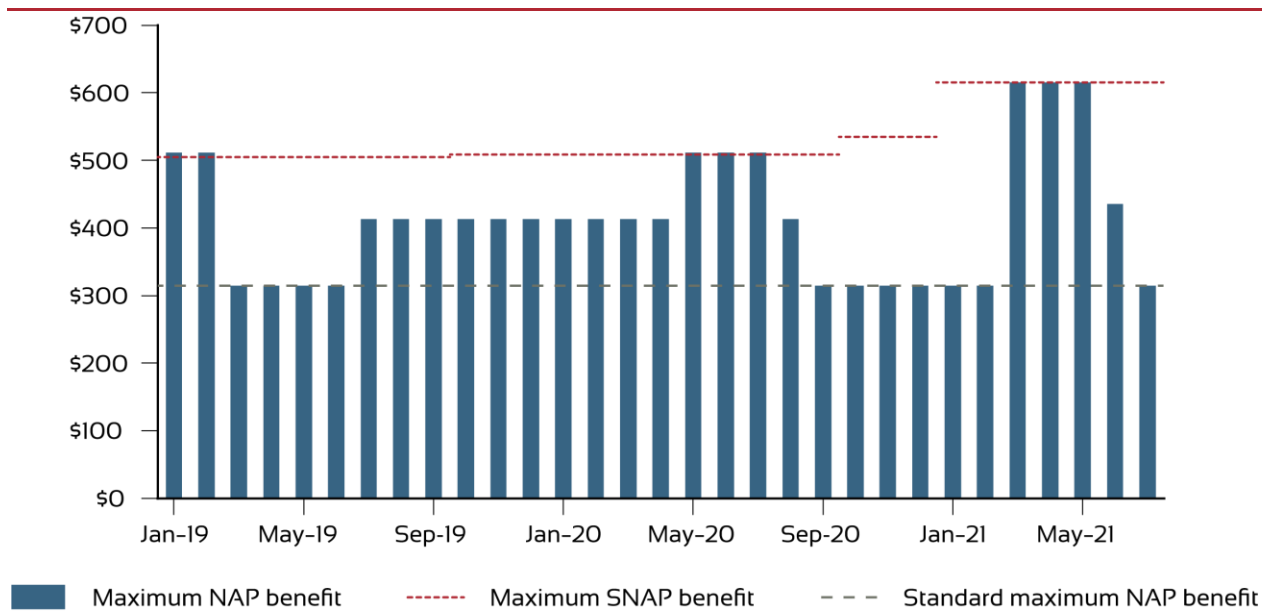
Puerto Rico's NAP is designed and administered by ADSEF under FNS oversight, with funding via a block grant from the Federal Government. The total cost of the NAP block grant in FY 2021 was approximately \$2.0 billion (USDA FNS, 2020b). NAP block grant funding has been flat for several decades, increasing only for inflation.¹ The Federal block grant pays for all benefit costs and 50 percent of administrative costs; Puerto Rico contributes the other 50 percent of NAP administrative costs.

Because the Federal block grant is capped, eligibility and benefit levels are set to ensure program costs do not exceed authorized funding levels. NAP's net income thresholds for one- and two-person households are significantly lower than for SNAP, while larger households must meet similar net income limits as SNAP. In general, NAP offers significantly lower maximum benefit levels than SNAP for all household sizes. For a family of three in July 2021, the maximum NAP block grant benefit was 51 percent of the SNAP maximum benefit (L. Leduc, personal communication, June 29, 2021). Relief funds granted by the Federal Government to counteract the economic impacts of recent hurricanes, earthquakes, and the COVID-19 pandemic have made NAP maximum benefits more similar to SNAP maximum benefits at certain times but have also led to considerable fluctuations in benefit levels. Figure ES.1 demonstrates the maximum NAP monthly benefit a family of three could receive from January 2019 to July 2021, ranging from \$315 to \$615. The figure also shows the standard maximum NAP monthly benefit in the absence of relief funding (\$315) and the maximum SNAP benefit.

To ensure that the entirety of the block grant is used, ADSEF increases participants' benefits each month by an amount that varies based on available funds. Unlike SNAP, even in the absence of relief funds, NAP benefits vary from month to month.

¹ The Puerto Rico NAP block was increased by 23 percent in FY 2022 to match similar increases in SNAP benefit amounts that went into effect for FY 2022 driven by the new Thrifty Food Plan.

Figure ES.1. Maximum NAP Monthly Benefit for a Family of Three, January 2019 to July 2021



Findings: Legislative and Regulatory Changes

To implement SNAP in Puerto Rico, the U.S. Congress would need to modify U.S. statutes to provide authority to the Government of Puerto Rico to operate SNAP. Specifically, Congress would need to amend or replace provisions of the Food and Nutrition Act of 2008, which generally governs the operation of SNAP and the NAP block grant for Puerto Rico.

Congress could also consider other legislative actions to ease implementation of SNAP in Puerto Rico, including the following:

- ▶ Provide funding to cover the costs to Puerto Rico and FNS for engaging in administrative and data systems development.
- ▶ Designate an implementation timeline with adequate time to design, plan, and roll out SNAP effectively and efficiently on the island.
- ▶ Reduce the degree to which NAP participants ineligible for SNAP or eligible for a lower benefit amount under SNAP would lose food assistance benefits abruptly.
- ▶ Approve a geographically staggered rollout of SNAP to provide ADSEF time for testing and real-time updates to improve accuracy and maintain program integrity; this would include simultaneous funding and operation of SNAP and NAP for the duration of the rollout period.
- ▶ Include a Quality Control grace period after implementation to delay liability for payment error rates while the agency works through any implementation challenges.

Congress could consider increasing the cap on SNAP Nutrition Education and Obesity Prevention Services grant program (SNAP-Ed) funds by the amount that would be allocated to the Puerto Rico SNAP-Ed program, so other State agencies' grants would not be reduced if Puerto Rico transitions to SNAP. Similarly, Congress could consider increasing the cap on SNAP Employment & Training (E&T) program grant funds.

SNAP implementation would occur over several years during which NAP would still be in operation in Puerto Rico. Congress could also increase funding for NAP during SNAP design and planning to make NAP more similar to SNAP and ease the transition between the programs. Examples of such changes to NAP include an increase in benefits, expansion of income thresholds, and implementation of program design features of SNAP not currently in NAP, such as work requirements, employment and training, and a fully funded, evidence-based nutrition education component.

USDA would be required to complete rulemaking to carry out the changes mandated by Congress, in particular, updating regulations at 7 C.F.R. § 285 (Provision of a Nutrition Assistance Grant for the Commonwealth of Puerto Rico). Finally, the Legislative Assembly of Puerto Rico would need to pass legislation authorizing SNAP and appropriate funding for administration of SNAP. The State agency would need to draft entirely new regulations for operating SNAP in accordance with Federal rules and regulations.

Findings: Differences Between NAP and SNAP

While NAP and SNAP have similar goals of improving access to nutritious foods for individuals and families with low incomes, the programs differ in their design and implementation. As a block grant, NAP is not as heavily regulated by the Federal Government as SNAP, and ADSEF has considerable flexibility in program design and administrative decisions. If SNAP were implemented in Puerto Rico, ADSEF would be responsible for designing a program that is more highly regulated than NAP, involves detailed data systems and reporting requirements, and includes additional and expanded program components. This section summarizes the key programmatic and operational differences between NAP and SNAP.

1. Program Design

One of the main differences between NAP and SNAP is the funding structure and the parameters it imposes on eligibility and benefit amounts. SNAP is an entitlement program, with all eligible individuals receiving food benefits paid for by the Federal Government. The Federal Government also reimburses State agencies for half of the administrative costs of operating the program. Conversely, NAP block grant funds are capped annually and must pay for all participant benefits plus half of the administrative costs of operations. The capped funding for NAP benefits has driven some decisions regarding income eligibility thresholds, benefit amounts, data systems upgrades, and administrative functions to keep costs within the grant amount.

- ▶ **Eligibility determination.** To be eligible for SNAP, most households must meet gross and net income tests. The exception is households with members over age 60 or with disabilities; these households are required only to meet the net income test. A SNAP household includes all individuals who purchase and prepare food together. Some close relatives who share a residence must be part of the same SNAP household regardless of whether they purchase and prepare meals together. NAP eligibility is determined by a net income test, and some individuals sharing a residence have greater choice regarding who is considered part of their NAP household (e.g., a grandparent living with an adult child and their family may apply for NAP on their own as a one-person household.) SNAP's income thresholds are indexed to the poverty level, while NAP's income threshold is set at a level that will not result in benefits exceeding block grant funding. Prior to 2019, NAP's net income thresholds were significantly lower than SNAP's net income threshold, but recent increases have resulted in comparable or higher

income thresholds for households of three or more under NAP. The net income thresholds for one- and two-person households, however, remain lower under NAP.

- ▶ **Income deductions.** Both SNAP and NAP apply specific deductions to a household's gross income to calculate net income to determine eligibility and benefits, but these deductions differ greatly. For instance, SNAP permits a 20 percent earned income deduction; NAP deducts 50 percent of earned income and some sources of unearned income up to a \$600 maximum deduction. SNAP has a standard deduction based on the number of people in the household; NAP's standard deduction is lower than SNAP's but also allows separate deductions for household members with disabilities, adults who are elderly, and college students. Other differences include amounts for medical expenses and dependent care deductions, the inclusion of an excess shelter expense deduction in SNAP, and additional income deductions for farmers and farmworkers in NAP.
- ▶ **Benefit amounts and calculations.** For SNAP, a maximum benefit amount is determined each year for each household size, and 30 percent of the household's net monthly income is subtracted from the maximum benefit to calculate the household's monthly benefit. For NAP, maximum benefits are established based on the value of the block grant and assumptions about likely program participation levels. An eligible household's monthly benefit is calculated by subtracting 15 percent of its net income from the maximum for that household size. Each adult 60 and older receives an additional 20 percent of the maximum benefit for a one-person household. A monthly adjustment that redistributes any unused block grant funds is added proportionate to the household's benefit.

Both SNAP and NAP issue benefits through an electronic benefit transfer (EBT) card that can be used at authorized retailers, but authorization and oversight of retailers differ. For SNAP, FNS conducts retailer authorization and management at the Federal level; for NAP, ADSEF is responsible for fulfilling this function. Retailer requirements are similar between SNAP and NAP, and little may change for many retailers as a result of SNAP implementation. Oversight of the more than 3,000 authorized NAP retailers would shift from ADSEF to FNS, requiring FNS to accommodate a predominantly Spanish-speaking retailer population. FNS would become responsible for monitoring retailers' activities and investigating and prosecuting retailer fraud.

2. New or Expanded Program Components

State agencies operate several SNAP components that are not incorporated into NAP or are incorporated on a smaller scale. These components include work requirements; SNAP E&T; disaster response, including Disaster SNAP (D-SNAP); and SNAP-Ed. For each of the SNAP components, ADSEF would be required to develop a formal plan; become familiar with rules and regulations governing the components; and develop a system to track, monitor, and report participation:

- ▶ **Work requirements.** SNAP participants must meet general work requirements (unless they meet certain exemptions) to receive SNAP benefits. Able-bodied adults without dependents (ABAWDs) are limited to 3 months of SNAP benefits in a 36-month period unless they meet additional work requirements. ADSEF is planning to implement a work requirement for ABAWDs modeled on SNAP regulations in the near future, but NAP did not have general or ABAWD work requirements in place in FY 2021. To implement SNAP, ADSEF would need to implement the general and ABAWD work requirements, including tracking, monitoring, and reporting compliance, and institute time limits for ABAWDs.

- ▶ **SNAP E&T.** State agencies are required to operate SNAP E&T and contribute to the cost of the program. Because NAP does not have an employment and training program, ADSEF would be responsible for designing one, including determining whether it would be voluntary or mandatory, what specific populations or geographic areas it would serve, services the program would offer, and whether it would be implemented through partnerships with other agencies. If the program were designed to exceed the base grant amount funded by the Federal Government (determined by formula), Puerto Rico would need to allocate funding to cover 50 percent of the remaining administrative and program costs. Regardless of the amount of funding provided by the Federal Government, Puerto Rico would need to fund 50 percent of the costs for providing reimbursements to participants for expenses related to program participation, such as transportation.
- ▶ **Disaster response.** Under SNAP, in the wake of a Presidential disaster declaration authorizing Individual Assistance, State agencies may request a waiver to operate D-SNAP directly from USDA without congressional action, while under NAP, the agency must wait for Congress to allocate relief funds after a disaster. Implementing SNAP in Puerto Rico would enable ADSEF to respond more quickly with additional funding in the event of a disaster. It would also deviate significantly from the provision and use of relief funds under NAP. D-SNAP benefits are only for households affected by a disaster who are currently not receiving SNAP, though State agencies can also provide supplements to ongoing SNAP households. Households typically receive 1 month of D-SNAP benefits or supplements. NAP disaster relief funds, on the other hand, have been used to increase the NAP income threshold and benefit levels; benefit level changes typically lasted more than a month.
- ▶ **SNAP-Ed.** Under SNAP, nutrition education is funded entirely by the Federal Government through SNAP-Ed grants. NAP operates a nutrition education program (NEP), but it is considered an administrative cost for NAP and receives limited funding as a result. If SNAP were implemented in Puerto Rico, ADSEF would have the opportunity to design and implement a robust, evidence-based SNAP-Ed program fully funded by the Federal Government. While SNAP-Ed has additional requirements for planning, implementation, evaluation, and reporting to those required by NEP, ADSEF has several resources available to support implementation of SNAP-Ed, including nutrition education staff, procedures, and partnerships.
- ▶ **SNAP Outreach.** FNS would provide 50 percent of the costs of an optional SNAP Outreach Plan to inform hard-to-reach SNAP-eligible populations of the program. ADSEF maintains robust communications with NAP participants through a variety of media channels but does not conduct formal outreach to eligible nonparticipants because of high NAP participation rates in Puerto Rico. If implementing SNAP in Puerto Rico, ADSEF would need to consider the need for and costs of a formal SNAP Outreach Plan to reach eligible nonparticipants.

3. Data Systems Development

State agencies use SNAP data systems to verify SNAP eligibility, issue benefits, conduct data verification, and complete case management activities, among many other critical functions and activities. These sophisticated data systems must process myriad complex eligibility and income rules, connect with multiple external interfaces, and allow technical staff to modify and expand data system functionality to align with SNAP policy requirements and improve efficiencies. SNAP data systems help State agencies operate several program components, including D-SNAP, work requirements, and SNAP E&T, and allow State agencies to meet FNS reporting requirements. State agencies that have operated SNAP for

decades continue to make significant investments in data systems upgrades to streamline processes, improve program efficiency, and ensure SNAP requirements are met.

ADSEF's NAP data systems are tailored to operating the block grant program. NAP's foundational data systems were developed in the 1990s, and ADSEF has updated these systems to provide targeted functionality over time. The main functionalities of NAP data systems are to assess eligibility and provide benefits.

Under SNAP, ADSEF would need to make specific program and policy selections and develop SNAP data systems that align with those choices and meet Federal requirements. ADSEF would be responsible for demonstrating compliance of data systems with detailed functionality requirements, such as ensuring correct eligibility determination based on accurate programming of income and eligibility rules, through FNS's Advanced Planning Document process. NAP data systems have not been required to demonstrate compliance with any Federal functionality requirements, suggesting it would be unlikely they could be modified to be compliant. As a result, ADSEF would likely need to oversee the development and implementation of new SNAP data systems to operate SNAP efficiently and compliantly.²

4. Federal Oversight

Because NAP is funded by a block grant, the Government of Puerto Rico and ADSEF have considerable autonomy to design and implement the program with minimal Federal requirements. In addition to the programmatic changes that would occur in a transition from NAP to SNAP, ADSEF would have to meet more detailed and more numerous budgeting, reporting, and program integrity requirements under SNAP. Specifically, ADSEF would need to make the following changes:

- ▶ **Budgeting.** For NAP, ADSEF submits several budget and financial reports to FNS to demonstrate how program funds will be and are spent in four administrative categories: total operating costs, automated data processing operations, nutrition education, and EBT issuance. SNAP requires budgeting for four detailed administrative cost categories that are subsets of the total operating costs for NAP: certification, Quality Control (QC), management evaluations, and program integrity. Costs related to SNAP E&T, SNAP Outreach, Systematic Alien Verification for Entitlements (known as SAVE) data matching, automated data processing development, and EBT startup funds must also be tracked in SNAP budgets.
- ▶ **Reporting.** ADSEF submits and prepares several reports to FNS, including retailer reports, issuance and participation estimates, issuance reconciliation, disaster benefit issuance reports, and status of claims against households. While many of these are analogous to SNAP reporting forms, ADSEF would need to provide more detailed reporting on several measures for most reports. ADSEF would also be required to submit separate reports on SNAP E&T and SNAP-Ed activities, the race and ethnicity of participants, and the results of fair hearings, program integrity investigations, and administrative disqualification hearings. Incorporating such components in SNAP data systems would be critical to ensuring compliance.
- ▶ **Program integrity.** ADSEF conducts several activities to ensure program integrity in NAP, including case reviews, fraud investigations, and internal management evaluations. ADSEF

² Necessary SNAP data system functions include eligibility determination, case management, data verification, financial management and accounting, EBT issuance and tracking, State Quality Control review, and Disaster SNAP eligibility determination. Other data system functions that could be incorporated either in the initial development process or during a later expansion include document imaging, SNAP E&T participation and outcomes tracking, online application, online accounts management, and call center software.

calculates payment error rates for local and regional offices based on case review findings. FNS conducts annual management evaluations of NAP operations. These activities are similar to program integrity activities conducted for SNAP, with certain important differences. For SNAP QC, FNS re-reviews a subsample of the case reviews conducted at the State agency level and calculates payment error rates for State agencies. Depending on a State agency's error rates, FNS may assess financial penalties. FNS would also need to ensure Federal management evaluations and civil rights compliance reviews of ADSEF are consistent with those conducted for other State agencies. ADSEF would need to continue its internal reviews, adjusting them to meet the requirements for SNAP State agency management evaluations to ensure compliance with SNAP policies.

Findings: Facilitators of and Barriers to SNAP Implementation

Implementing SNAP in Puerto Rico would require an extensive program design and planning component, resulting in major changes to ADSEF's policies and procedures. Through program change analysis and interviews with stakeholders, the study team identified facilitators that could promote successful implementation and several challenges that could impede SNAP implementation.

1. Facilitators of SNAP Implementation

Puerto Rico and ADSEF have strengths in several areas that could help to facilitate a smooth transition from NAP to SNAP.

a. Broad support for NAP and SNAP

NAP is popular in Puerto Rico, resulting in high program participation rates, and most stakeholders interviewed believed a transition to SNAP would help ADSEF better support individuals and families with low incomes. NAP's popularity could facilitate a smooth transition for participants as word about the program would spread quickly and organically. ADSEF could use its current media channels to reach additional potential participants throughout the island in the lead-up to SNAP rollout.

ADSEF leadership and staff, the Financial Oversight and Management Board of Puerto Rico, retailers, and several community-based and nonprofit organizations were supportive of SNAP because it would increase nutrition assistance benefits to the island. Some emphasized the social justice issue of disparate nutrition assistance between Puerto Rico and the States; others noted increased Federal funding in Puerto Rico would help the economy. Many stakeholders also supported SNAP because it would enable Puerto Rico to respond to disasters more readily and because work requirements are anticipated to benefit the island as a whole by promoting increased labor force participation.

b. Potential partnerships

If SNAP were implemented in Puerto Rico, ADSEF would have significant partnership resources to draw on to establish and expand program components, including SNAP E&T, D-SNAP, and SNAP-Ed:

- ▶ Puerto Rico has a robust workforce infrastructure through the Departamento de Desarrollo Económico y Comercio (Department of Economic Development and Commerce) and its Áreas Locales de Desarrollo Laboral (Local Workforce Development Areas), which operate American Job Centers. Several other potential partners also expressed support for a SNAP E&T program.

ADSEF could take advantage of this network when designing, administering, and operating such a program.

- ▶ ADSEF could make use of current connections between the Departamento de la Familia (Department of the Family) and the Agencia Estatal para el Manejo de Emergencias y Administración de Desastres en Puerto Rico (Puerto Rico Emergency Management Agency) to develop the necessary partnerships for effective D-SNAP planning, including ensuring access to needed data. ADSEF could also work with other partners (e.g., the Banco de Alimentos de Puerto Rico [Food Bank of Puerto Rico]) to gain access to networks of volunteers to support D-SNAP operations.
- ▶ Stakeholders described SNAP-Ed as an opportunity for ADSEF to develop formal partnerships with other agencies and organizations, such as the Universidad de Puerto Rico (University of Puerto Rico) and the Departamento de Recreación y Deportes de Puerto Rico (Recreation and Sports Department of Puerto Rico). These partnerships could strengthen SNAP-Ed implementation in Puerto Rico and yield new opportunities for collaboration, evaluation, and resource sharing related to nutrition education and obesity prevention.

c. Adaptability

ADSEF's demonstrated ability to quickly adapt to changing circumstances—for instance, in response to recent disasters—would facilitate the development and operation of a D-SNAP. After Hurricanes Irma and Maria, ADSEF worked quickly to set up large-scale, in-person NAP application events. The agency also processed hundreds of thousands of simplified NAP applications in the early days of the COVID-19 pandemic. These prior experiences have shown ADSEF staff can respond quickly to adapt to new circumstances.

d. NAP modernization

ADSEF has implemented improvements to NAP policies, procedures, and systems and plans other improvements that could facilitate SNAP implementation in Puerto Rico:

1. **Work requirements.** ADSEF began planning NAP work requirements for ABAWDs in October 2020 with the development of a planning committee composed of representatives from across the workforce system, including government agencies. As of June 2021, ADSEF expected to complete the planning phase by the end of 2021 and begin the development and implementation phases in subsequent years.
2. **D-SNAP.** In recent years, ADSEF has developed a D-NAP Plan modeled on the D-SNAP Plan template to be ready to assist disaster survivors more quickly after a disaster. Although the D-SNAP Plan has additional requirements, ADSEF has a starting point for developing it.
3. **Online applications.** ADSEF launched a full online application and appointment management system in fall 2021. Through this online platform the agency also offers a series of online self-service options for NAP participants to submit verifications and report changes.
4. **Digitization.** ADSEF has developed plans to transition all case files to a digital format, beginning with storing recertification records digitally as of August 2021.

Although transitioning from NAP to SNAP would require design and development of a new program in Puerto Rico, ADSEF could build on many improvements it has begun to plan and implement in recent years.

e. Dedicated staff

ADSEF has an extremely dedicated staff of frontline and senior employees. Although employee recruitment and retention are challenging, ADSEF employs many staff members with decades of experience. Staff throughout the agency go above and beyond to meet the needs of families across the island.

2. Barriers to SNAP Implementation

Several factors could hinder SNAP implementation. For a successful implementation, Congress, FNS, the Puerto Rico legislature, and ADSEF would need to devote substantial resources to addressing these barriers.

a. Limited SNAP policy knowledge

SNAP regulations, program design features, and Federal requirements are significantly more numerous than those for NAP, and SNAP includes program features, such as work requirements and SNAP E&T, that would be new to ADSEF. ADSEF leadership and career staff would need to work closely with FNS to build a strong understanding for each policy design decision and ensure those decisions are operationalized accurately and effectively in data systems development. FNS staff at the National Office and the Mid-Atlantic Regional Office would need to provide significant technical assistance and expertise to facilitate decision-making and compliance with Federal requirements in the planning, testing, and rollout of SNAP.

b. Staffing

Implementing SNAP in Puerto Rico would require a significant increase in staffing to handle the increased caseload and additional program requirements. Stakeholders interviewed for the study shared concerns about limited staffing, the lack of succession planning, and the inability to recruit and retain qualified personnel—in particular, eligibility workers—for NAP at 2021 government salary rates. Continuity in leadership is also desirable because high turnover could result in loss of critical project knowledge and delays in timelines as new team members were onboarded. Challenges associated with staffing could significantly hamper Puerto Rico’s ability to operate SNAP in accordance with Federal regulations.

c. Administrative costs

Puerto Rico’s share of SNAP administrative costs is expected to be more than twice Puerto Rico’s share of FY 2021 NAP administrative costs. Stakeholders in Puerto Rico were confident the Government of Puerto Rico would provide financing for 50 percent of the administrative costs of operating SNAP; however, increased spending could be a challenge given the island’s financial constraints. In 2016, Puerto Rico declared it could not repay its debt and requested it be allowed to declare bankruptcy. The Federal Government denied this request and signed the Puerto Rico Oversight, Management and Economic Stability Act of 2016 (PROMESA) to restructure Puerto Rico’s debt and established the Fiscal

Oversight and Management Board as a method for achieving fiscal responsibility (Financial Oversight & Management Board for Puerto Rico, n.d.; Sullivan, 2018).

ADSEF would have to adhere to the same program requirements as the State agencies to receive 50 percent administrative reimbursement from FNS, including meeting program integrity, reporting, application processing timeliness, and other standards. If ADSEF failed to meet these requirements, or processes resulted in high payment error rates, administrative funding could be jeopardized, placing a greater financial burden on Puerto Rico.

SNAP design, planning, and initial implementation would also require significant funding over the course of the 10-year implementation timeline (estimated between \$341 million and \$426 million) with about 84 percent of costs required for data systems development. As no State agencies have implemented SNAP in the past four decades, there is no precedent for the extent to which Puerto Rico would bear those costs versus the Federal Government. The Federal Government could ease this challenge significantly by fully funding the costs of implementation.

d. Data systems

NAP stakeholders, including FNS staff, ADSEF staff, and information technology (IT) contractors, noted several challenges ADSEF would face in implementing SNAP data systems:

- ▶ **Antiquated NAP data systems.** Most stakeholders agreed the core NAP data system is antiquated and unable to integrate the numerous policy and reporting requirements necessary under SNAP. NAP data systems developed more recently were designed to interact with the core system's outdated infrastructure, even though they use more modern technology. Stakeholders concluded it would not be practical, feasible, or cost-effective to modify the current NAP data systems for use in SNAP.
- ▶ **Lack of adequate investment in data systems and staff.** Stakeholders cited reductions in funding for NAP data systems maintenance and staffing as a challenge that has limited ADSEF's ability to upgrade aging systems and maintain technical expertise in NAP data systems. ADSEF's Oficina de Tecnología e Información (Office of Technology and Information) has had significant reductions in staff over time: ADSEF formerly employed 100 staff dedicated to supporting NAP data systems but now employs only 10, none of whom are programming or technical staff.
- ▶ **Poorly specified data systems requirements.** NAP IT contractors described ongoing challenges related to unclear data system requirements from ADSEF. The agency lacks staff who fully understand the capabilities of NAP data systems and how they align with operational requirements, resulting in NAP data systems not always meeting ADSEF's needs.
- ▶ **Lengthy procurement processes.** ADSEF and NAP IT contractors described the overall process for procurement in Puerto Rico as slow and requiring many steps and approvals; FNS must also approve all procurements. The FNS State Systems Office noted it is likely data systems procurement could take longer than expected as a result of delays in establishing a contract.
- ▶ **FNS rules and requirements for systems development.** ADSEF's data systems development process would need to meet FNS requirements (e.g., providing requests for proposals and contracts for FNS review, the advanced planning document process), a substantial undertaking with which ADSEF has limited recent experience.

Before transitioning to SNAP, ADSEF would have to address each of these challenges to have the foundational support needed to successfully manage a SNAP data systems project of this unprecedented scale. Developing and implementing SNAP data systems would require significant funding and staffing resources, detailed and complete data systems requirements, and efficient procurement and contracting processes. Continued challenges in any of these areas could result in significant cost and timeline overages.

e. Local office infrastructure

Stakeholders noted NAP local offices have inadequate building conditions, internet access, phones, stable electricity, and office supplies, which could hinder SNAP implementation if not addressed. In the past several years, ADSEF has closed 14 local offices and 1 regional office because of staffing shortages and severe damage sustained in the 2020 earthquakes. Lack of an adequate communication infrastructure also poses a challenge for NAP applicants and participants, who may be unable to reach their local office when phone lines are not working.

f. Language, translation

Many of the activities involved in SNAP implementation, particularly collaborative activities between ADSEF and FNS staff in program design and planning, would require translation and interpretation services to ensure clear communication and accountability. While many ADSEF staff and contractors are bilingual in Spanish and English, not all are, and their level of English proficiency varies. It would be crucial for FNS to translate all major documents (e.g., guidance) and make them available to ADSEF in both Spanish and English. It would also be necessary to ensure translation or interpretation is available for all meetings and communications between ADSEF and FNS, the data systems developers, and others.

While Spanish and English are the prominent languages in Puerto Rico, ADSEF would also need to plan for interpretation and translation services for participants with limited English proficiency and limited Spanish proficiency. ADSEF would need to select appropriate interpretation services (i.e., on-site, telephone interpreter lines, or bilingual staff) and decide which documents would be considered vital to be translated into other languages following the rules for single language minorities within specific project areas, as described under 7 C.F.R. § 272.4(b)³. FNS would also need to accommodate a retailer population that is predominantly Spanish-speaking and would need to translate retailer materials, such as retailer correspondence.

Findings: Timeline and Costs

This plan offers an estimated implementation timeline based on input from FNS and ADSEF; the experiences of SNAP State agencies; and the study team's understanding of processes within the Federal Government, the Government of Puerto Rico, and ADSEF. Given the unprecedented scale of this project, it is impossible to predict exactly how long each step would take. Certain implementation phases could occur more quickly if processes and timing of different aspects of implementation aligned. Alternatively, phases could take longer if, for example, data systems procurement or testing took longer than anticipated or in the event of a natural disaster. The timeline and cost estimates presented in this document are based on stakeholders' experiences and subject matter expertise related to implementing

³ 7 CFR Part 15 requires State agencies to conduct a needs assessment using a four-factor analysis to determine which additional steps would be required to ensure meaningful access to participants with limited English proficiency and, in the case of Puerto Rico, those with limited Spanish proficiency.

projects of substantial size and scope. However, the actual timeline and costs for transitioning to SNAP may differ, and Puerto Rico should not be expected or mandated to meet these timeline or cost estimates.

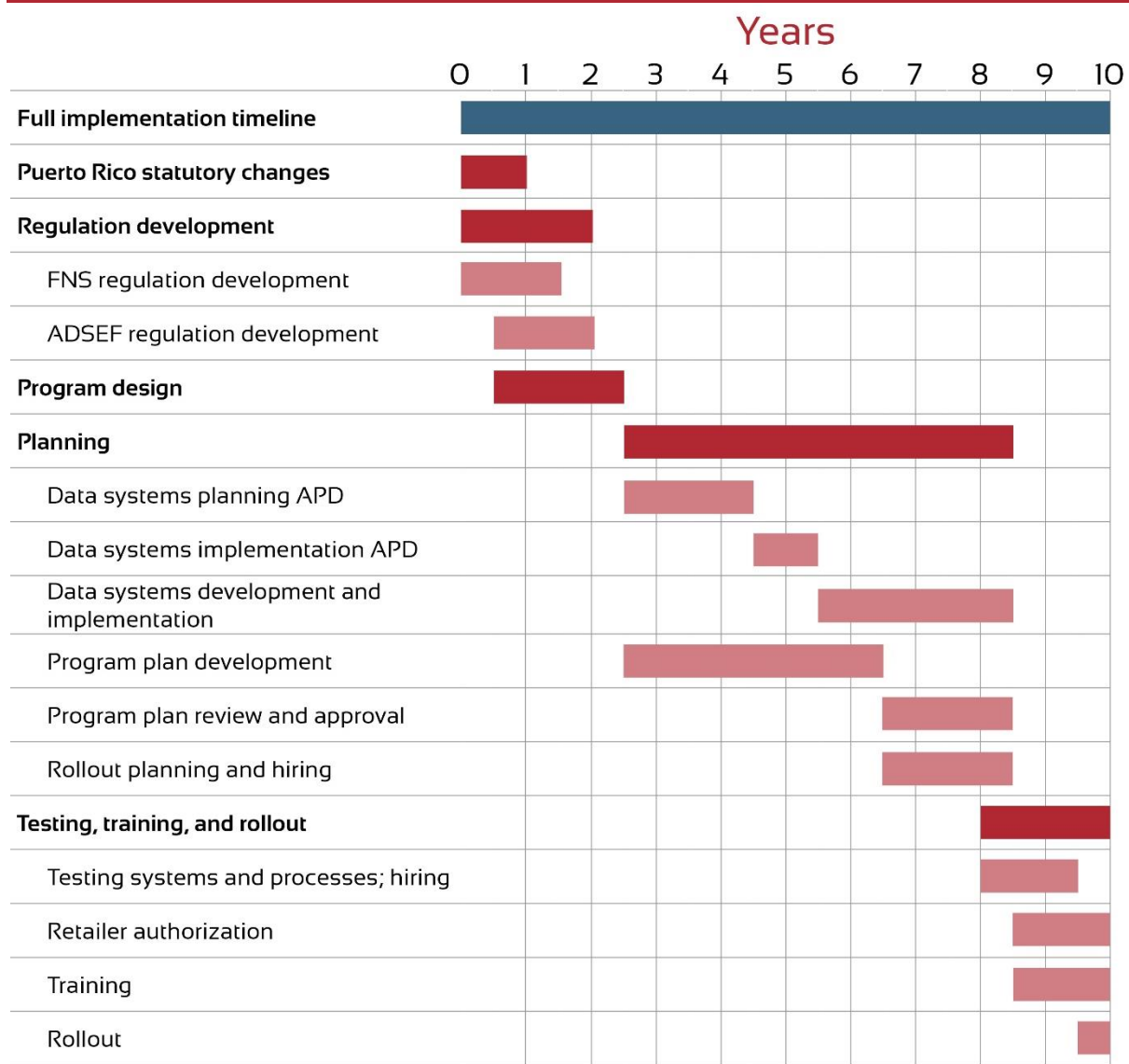
ADSEF and FNS would collaborate throughout five phases of implementation: (1) Puerto Rico statutory changes; (2) regulation development; (3) program design; (4) planning; and (5) testing, training, and rollout. Each phase includes several tasks, some of which may be completed before the phase is anticipated to end. Within each phase, however, there is at least one rate-limiting step driving the timeline:

- ▶ **Puerto Rico statutory changes.** The legislature in Puerto Rico is estimated to need 12 months to replace any language governing NAP with new legislative text providing statutory authority governing the operation of SNAP in Puerto Rico.
- ▶ **Regulation development.** FNS would need to finish developing its regulations before regulations in Puerto Rico could be finalized. FNS is anticipated to take 18 months to complete its regulations. Puerto Rico regulations could be completed 6 months after that.
- ▶ **Program design.** Several tasks in this phase must be completed before the following phase can begin. These include reviewing a large volume of SNAP materials and participating in State exchanges (i.e., visits to other State agencies) to learn the details of program administration. ADSEF would then make major decisions about how SNAP would be implemented in Puerto Rico.⁴
- ▶ **Planning.** ADSEF would need to plan and develop SNAP data systems to comply with Federal requirements and accurately calculate eligibility and issue benefits. State agencies can take from 4 to over 10 years to complete the steps in the Advanced Planning Document process. No recent SNAP State agency data systems projects compare with the scale of the data systems work that would be required to implement SNAP in Puerto Rico, so data systems could require more time for Puerto Rico. For the purpose of this timeline, the planning stage was estimated to take 6 years.
- ▶ **Testing, training, and rollout.** Data systems must meet specific go/no go criteria in two rounds of testing before being fully deployed. The timeline includes an 18-month period for testing.

The study team estimated a 10-year period would be required to fully implement SNAP in Puerto Rico after authorization by the U.S. Congress. Some phases would occur simultaneously (see figure ES.2).

⁴ This phase could happen more quickly if ADSEF began the process of program design prior to congressional authorization of SNAP.

Figure ES.2. SNAP Implementation Timeline



Note: APD = advance planning document

1. Implementation and Ongoing Administrative Costs

The study team estimated rough order of magnitude costs to Puerto Rico and the Federal Government for implementing and operating SNAP in Puerto Rico:

- ▶ SNAP implementation (i.e., carrying out the regulation development; program design; planning; and testing, training, and rollout phases) was estimated to cost between \$341 million and \$426 million over the course of the 10-year implementation period. Approximately 84 percent of the total estimated implementation cost is for data systems development.

- ▶ Administering SNAP once rolled out would cost an estimated \$249 million to \$414 million per year (in 2031 dollars).⁵ FNS would incur about 54 percent of these costs, including about 50 percent of Puerto Rico’s administrative costs and additional costs for the FNS National and Mid-Atlantic Regional Offices. In 2021 dollars, this would more than double Puerto Rico’s contributions to nutrition assistance administrative costs.
- ▶ The estimated cost of benefits issued to SNAP participants in Puerto Rico would be \$4.5 billion annually in 2031 dollars.⁶

These cost estimates relied on estimates of SNAP participation in Puerto Rico derived from a microsimulation model using Puerto Rico Community Survey data from 2019, which indicated approximately 861,000 households would be expected to participate in SNAP.

This report is also available in Spanish. See *Actualización del Estudio de Viabilidad para la Implementación del SNAP en Puerto Rico: Informe Final* by Thorn et al., 2022.

⁵ Annual operating cost estimates include costs for certification, issuance, fraud control, data systems operation and maintenance, SNAP E&T, Quality Control, fair hearings, management evaluations, and SNAP-Ed.

⁶ This estimate assumes the average household SNAP benefit in Puerto Rico would be equal to the midpoint between the average household benefit in the 48 States and the District of Columbia and the average household benefit in the Virgin Islands.

Resumen Ejecutivo

Este informe de viabilidad presenta los resultados de un estudio del Servicio de Alimentos y Nutrición (FNS, por sus siglas en inglés) del Departamento de Agricultura de los Estados Unidos (USDA, por sus siglas en inglés) para evaluar los cambios administrativos, operativos y de integridad programática necesarios para operar el Programa de Asistencia Nutricional Suplementaria (SNAP, por sus siglas en inglés) en Puerto Rico. FNS administra el SNAP en los 50 estados, el Distrito de Columbia y en 2 de los 5 territorios de los Estados Unidos (EE. UU.)—Guam y las Islas Vírgenes. Puerto Rico, el Estado Libre Asociado de las Islas Marianas del Norte y Samoa Americana reciben fondos fijos o “fixed block grants” para operar un programa de asistencia nutricional. En Puerto Rico, este programa se conoce como el Programa de Asistencia Nutricional (PAN) y es administrado por la Administración de Desarrollo Socioeconómico de la Familia (ADSEF).

Este estudio tiene dos objetivos:

- ▶ Proporcionar una actualización detallada sobre los cambios administrativos, operativos y de integridad programática necesarios para convertir el PAN al SNAP.
- ▶ Desarrollar un plan de implementación detallado con pasos específicos, cronogramas y estimaciones de costos para restablecer el SNAP en Puerto Rico.

Este informe cumple con el primer objetivo al presentar en detalle las características del PAN y del SNAP; describir las diferencias en las reglas programáticas, regulaciones y los operativos entre ambos programas; y discutir consideraciones cruciales para el Congreso, FNS y ADSEF si Puerto Rico fuera a implementar el SNAP. El segundo objetivo se aborda en otro informe, *Actualización del Estudio de Viabilidad para la Implementación del SNAP en Puerto Rico: Plan de Implementación* (Thorn et al., 2022). El plan de implementación describe en detalle los pasos que ADSEF y FNS deben tomar para diseñar e implementar el SNAP en Puerto Rico, el cronograma para implementar cada paso y el costo de implementar y mantener el programa.

Este resumen ejecutivo describe los métodos del equipo encargado del estudio y proporciona un breve resumen del PAN en Puerto Rico. Los hallazgos principales del estudio se presentan en cuatro secciones: (1) cambios legislativos y regulatorios requeridos para implementar el SNAP, (2) diferencias entre el PAN y el SNAP, (3) posibles facilitadores y obstáculos para la implementación del SNAP y (4) el cronograma y los costos asociados con la implementación del SNAP en Puerto Rico.

A. Metodología

El equipo encargado del estudio se basó en tres tipos principales de datos para informar el desarrollo de este informe: (1) un análisis del entorno y revisión de documentos, (2) entrevistas con el personal de la Oficina Nacional y la Oficina Regional del Atlántico Medio (MARO, por sus siglas en inglés) de FNS, y (3) entrevistas con el personal de ADSEF y otros grupos de interés en Puerto Rico, incluyendo a los comerciantes autorizados para debitar fondos del PAN, a la Junta de Supervisión y Administración Financiera para Puerto Rico, a las organizaciones comunitarias, a los empleadores, a las agencias gubernamentales asociadas, y a los socios para el manejo de emergencias. El equipo encargado del estudio utilizó estos datos para comprender las diferencias entre el PAN y el SNAP; identificar los pasos que ADSEF y FNS necesitarían tomar para implementar el SNAP; describir los retos que se asociarían con la implementación del SNAP y los factores que facilitarían esa transición. Todas las entrevistas se

realizaron durante el año fiscal (AF) 2021 y, a menos que se especifique lo contrario, los documentos y materiales del programa revisados eran aplicables a ese año.

Para estimar los costos de la implementación del SNAP en Puerto Rico, el equipo encargado del estudio consideró los costos laborales de ADSEF, de FNS, de los consultores, del desarrollo de los sistemas de datos, y otros costos directos. Para estimar los costos de la administración continua en Puerto Rico, el equipo encargado del estudio comenzó estimando los números de los individuos y hogares que participarían del SNAP en Puerto Rico. El equipo logró esto utilizando los datos de la Encuesta sobre la Comunidad de Puerto Rico (Puerto Rico Community Survey, PRCS) del 2019 en un modelo de microsimulación que aplicó los parámetros de requisitos de elegibilidad del SNAP a los microdatos y luego aplicó suposiciones sobre las posibles tasas de participación. El equipo encargado del estudio utilizó los costos anuales de la administración del SNAP a través de 10 funciones administrativas de un conjunto de estados con un tamaño de carga de casos, modelo de distribución de servicios, y opciones de políticas similar a lo que es esperado en Puerto Rico como base para estimar los costos de la administración continua. También, el equipo encargado del estudio estimó los costos laborales continuos que serían incurridos por FNS. FNS utilizó la participación anticipada del SNAP en Puerto Rico y un promedio de beneficios del SNAP por hogar en los 48 estados y las Islas Vírgenes para estimar los costos de beneficios del SNAP en Puerto Rico.

El equipo encargado del estudio asumió que Puerto Rico implementaría el SNAP de acuerdo con todos los requisitos legislativos y reglamentarios, a menos que se especifique lo contrario. El equipo encargado del estudio también asumió que Puerto Rico y FNS utilizarían procesos y procedimientos típicos para actividades estándares, como reclutamiento de personal y adquisición y asumió que Puerto Rico, a medida que sea posible, incorporaría las mejores prácticas para la administración del SNAP en su implementación.

B. Antecedentes

El PAN de Puerto Rico es diseñado y administrado por ADSEF bajo la supervisión de FNS, con financiamiento a través de fondos fijos del gobierno federal. El costo total de los fondos fijos del PAN en el AF 2021 fue de aproximadamente \$2.0 billones (USDA FNS, 2020b). Los fondos fijos del PAN han permanecido consistentes por varias décadas, incrementando únicamente por la inflación.⁷ Los fondos fijos federales pagan todos los costos de los beneficios y el 50 por ciento de los costos administrativos; Puerto Rico contribuye con el otro 50 por ciento de los costos administrativos del PAN.

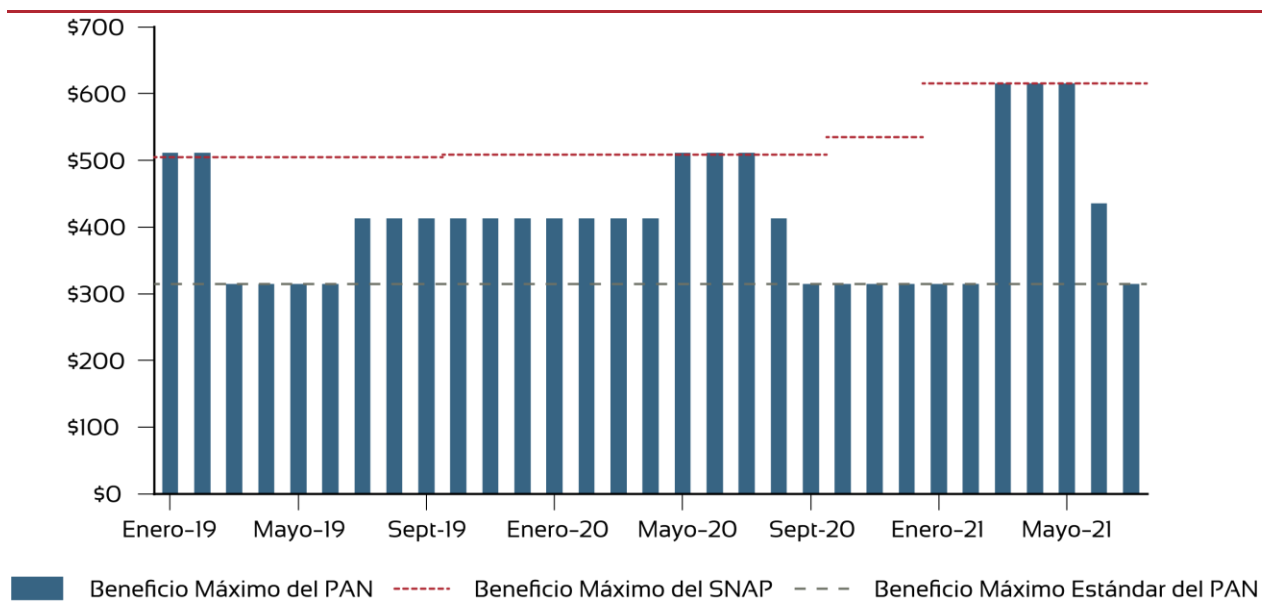
Debido a que los fondos fijos federales tienen un tope, los niveles de elegibilidad y beneficios se establecen para garantizar que los costos del programa no excedan los niveles de financiamiento autorizados. Los niveles de ingresos netos del PAN para hogares de una y dos personas son significativamente más bajos que los del SNAP, mientras que los hogares más grandes deben cumplir con límites de ingreso similares a los del SNAP. En general, el PAN ofrece niveles máximos de beneficios significativamente más bajos que el SNAP para todos los tamaños de hogares. En julio de 2021, el beneficio máximo de fondos fijos del PAN para una familia de tres personas era 51 por ciento del beneficio máximo del SNAP (L. Leduc, comunicación personal, 29 de junio de 2021). Los fondos de ayuda otorgados por el gobierno federal para contrarrestar los impactos económicos de los recientes huracanes, terremotos y la pandemia del COVID-19 han hecho los beneficios máximos del PAN más

⁷ Los fondos fijos de Puerto Rico fueron incrementados por 23 por ciento en el AF 2022 para igualar los incrementos similares en las cantidades de beneficios del SNAP que tomaron efecto en AF 2022 conducidos por el nuevo plan económico de alimentos (Thrifty Food Plan en inglés).

similares a los beneficios máximos del SNAP en ciertos tiempos, pero también han causado variaciones considerables a los niveles de beneficios. La gráfica ES.1 muestra el beneficio mensual máximo del PAN que una familia de tres podía recibir desde enero de 2019 hasta julio de 2021, fluctuando de \$315 a \$615. La gráfica también muestra el beneficio mensual máximo estándar del PAN en ausencia de los fondos de ayuda (\$315) y el beneficio máximo del SNAP.

Para asegurar que los fondos fijos se utilicen en su totalidad, ADSEF incrementa los beneficios de los participantes cada mes por una cantidad que varía basado en los fondos disponibles. A diferencia del SNAP, los beneficios del PAN varían de mes a mes, incluso en la ausencia de fondos de ayuda.

Gráfica ES.1. Beneficio Mensual Máximo del PAN Para Una Familia de Tres, de Enero de 2019 a Julio de 2021



C. Hallazgos: Cambios Legislativos y Regulatorios

Para implementar el SNAP en Puerto Rico, el Congreso de los EE. UU. necesitaría modificar los estatutos de los EE. UU. para otorgar autoridad al Gobierno de Puerto Rico para operar el SNAP. Específicamente, el Congreso necesitaría enmendar o reemplazar las disposiciones de la Ley de Alimentos y Nutrición de 2008 (Food and Nutrition Act of 2008), que generalmente rige el funcionamiento del SNAP y los fondos fijos del PAN para Puerto Rico.

El Congreso también podría considerar otras acciones legislativas para facilitar la implementación del SNAP en Puerto Rico, que incluyen lo siguiente:

- ▶ Proporcionar fondos para cubrir los costos de Puerto Rico y FNS para participar en desarrollo administrativo y de sistemas de datos.
- ▶ Designar un cronograma de implementación con el tiempo adecuado para diseñar, planificar y lanzar el SNAP de manera efectiva y eficiente en la Isla.

- ▶ Reducir el grado en el que los participantes del PAN que son inelegibles para el SNAP, o que son elegibles para una cantidad menor de beneficio bajo el SNAP, perderían los beneficios de asistencia alimentaria abruptamente.
- ▶ Aprobar una implementación del SNAP geográficamente escalonada para proporcionar tiempo a ADSEF de realizar pruebas y actualizaciones en tiempo real para mejorar la precisión y mantener la integridad del programa; esto incluiría el financiamiento y el funcionamiento simultáneo del SNAP y el PAN durante el periodo de lanzamiento.
- ▶ Incluir un periodo de gracia para el control de calidad después de la implementación para retrasar la responsabilidad por las tasas de error en los pagos mientras la agencia trabaja para resolver cualquier reto de la implementación.

El Congreso podría considerar aumentar el límite de los fondos otorgados para el programa de financiamiento del SNAP para la Educación Nutricional y la Prevención de la Obesidad (SNAP-Ed, por sus siglas en inglés) por la cantidad que se asignaría al programa SNAP-Ed de Puerto Rico, de modo que los fondos otorgados a otras agencias de estados no se reduzcan si Puerto Rico hace la transición al SNAP. Similarmente, el Congreso podría considerar incrementar el límite de fondos otorgados para el programa de SNAP de Empleo y Capacitación (E&T, por sus siglas en inglés).

La implementación del SNAP ocurriría durante varios años durante los cuales el PAN aún estaría operando en Puerto Rico. El Congreso también podría aumentar los fondos del PAN durante el diseño y la planificación del SNAP para hacer el PAN más similar al SNAP y facilitar la transición entre los programas. Ejemplos de dichos cambios al PAN incluyen aumentar los beneficios, expandir los niveles de ingresos, e implementar componentes programáticos del SNAP que no están en el PAN, como requisitos de trabajo, empleo y capacitación, y un componente de educación nutricional basado en evidencias y totalmente financiado.

Se requeriría que el USDA complete la elaboración de reglas para llevar a cabo los cambios ordenados por el Congreso, en particular, la actualización de las regulaciones en 7 C.F.R. § 285 (Provision of a Nutrition Assistance Grant for the Commonwealth of Puerto Rico, Provisión de una Subvención de Asistencia Nutricional para el Estado Libre Asociado de Puerto Rico). Finalmente, la Asamblea Legislativa de Puerto Rico necesitaría aprobar una legislación que autorice el SNAP y asignar los fondos adecuados para la administración del SNAP. La agencia estatal necesitaría redactar regulaciones completamente nuevas para operar el SNAP de acuerdo con las reglas y regulaciones federales.

D. Hallazgos: Diferencias Entre el PAN y el SNAP

Aunque el PAN y el SNAP tienen objetivos similares de mejorar el acceso a alimentos nutritivos para las personas y familias de bajos ingresos, los programas difieren en su diseño e implementación. Al ser fondos fijos, el PAN no está tan fuertemente regulado por el gobierno federal como el SNAP y ADSEF tiene una flexibilidad considerable en el diseño del programa y en las decisiones administrativas. Si el SNAP se implementara en Puerto Rico, ADSEF sería responsable de diseñar un programa significativamente más regulado que el PAN, que involucra sistemas de datos y requisitos de informes más detallados e incluye componentes del programa adicionales y ampliados. Esta sección resume las principales diferencias programáticas y operativas entre el PAN y el SNAP.

1. Diseño de Programa

Una de las principales diferencias entre el PAN y el SNAP es la estructura de financiamiento y los parámetros que impone sobre la elegibilidad y la cantidad de los beneficios. El SNAP es un programa de ayuda social en el que todas las personas elegibles reciben beneficios de alimentos pagados por el gobierno federal. El gobierno federal también reembolsa a las agencias estatales la mitad de los costos administrativos de los operativos del programa. Por el contrario, los fondos fijos del PAN tienen un tope anual y deben pagar todos los beneficios de los participantes más la mitad de los costos administrativos de los operativos. El financiamiento limitado para los beneficios del PAN ha impulsado algunas decisiones con respecto a los niveles de ingresos de elegibilidad, la cantidad de los beneficios, actualizaciones de los sistemas de datos, y las funciones administrativas para mantener los costos dentro de los fondos otorgados.

- ▶ **Determinación de elegibilidad.** Para ser elegible para el SNAP, la mayoría de los hogares deben cumplir con las pruebas de ingresos brutos y netos. La excepción son los hogares con adultos mayores de 60 años o con discapacidades; estos hogares sólo deben cumplir con la prueba de ingresos netos. Un hogar SNAP incluye a todas las personas que compran y preparan comidas juntas. Algunos parientes cercanos que comparten una residencia deben ser parte del mismo hogar SNAP independientemente de si compran y preparan comidas juntos. La elegibilidad para el PAN se determina mediante una prueba de ingresos netos, y las personas que comparten una residencia tienen más opciones con respecto a quién se considera parte de su hogar PAN (por ejemplo, un abuelo que vive con un hijo adulto y su familia puede solicitar el PAN por separado como un hogar compuesto por una persona). Los niveles de ingresos del SNAP están basados en el nivel de pobreza, mientras que el nivel de ingresos del PAN se establece a un nivel que asegure que los beneficios no excedan los fondos fijos. Antes de 2019, los niveles de ingresos del PAN eran significativamente más bajos que el nivel de ingresos netos del SNAP, pero los aumentos recientes han dado como resultado niveles de ingresos comparables o más altos para hogares de tres o más personas en el PAN. Sin embargo, los niveles de ingresos netos para hogares de una o dos personas siguen siendo más bajos en el PAN.
- ▶ **Deducciones de ingresos.** Tanto el SNAP como el PAN aplican deducciones específicas al ingreso bruto de un hogar para calcular el ingreso neto y determinar la elegibilidad y los beneficios, pero estas deducciones difieren mucho. Por ejemplo, SNAP permite una deducción de 20 por ciento del ingreso devengado.; el PAN deduce el 50 por ciento del ingreso devengado y algunas fuentes de ingreso no devengado, hasta una deducción máxima de \$600. SNAP tiene una deducción estándar basada en el número de personas en el hogar; la deducción estándar del PAN es más baja que la del SNAP, pero también permite deducciones separadas para miembros del hogar con discapacidades, adultos mayores, y estudiantes universitarios. Otras diferencias incluyen las cantidades de las deducciones por gastos médicos y por cuidado de dependientes, la inclusión de una deducción por exceso de gastos de vivienda en el SNAP y las deducciones adicionales de ingresos para agricultores y trabajadores agrícolas en el PAN.
- ▶ **Cantidades y cálculos de beneficios.** Para el SNAP, se determina una cantidad máxima de beneficio cada año según el tamaño del hogar, y el 30 por ciento del ingreso mensual neto del hogar se deduce del beneficio máximo para determinar el beneficio mensual del hogar. Para el PAN, los beneficios máximos se establecen basados del valor los fondos fijos y las suposiciones sobre los niveles probables de participación en el programa. El beneficio mensual de un hogar elegible se calcula restando el 15 por ciento del ingreso neto al máximo para el tamaño del hogar. Cada adulto de 60 años o más recibe un 20 por ciento adicional del beneficio máximo

para un hogar compuesto por una persona. Se agrega un ajuste mensual que redistribuye los fondos fijos no utilizados de forma proporcional al beneficio del hogar.

Tanto el SNAP como el PAN emiten beneficios a través de una tarjeta de transferencia electrónica de beneficios (EBT, por sus siglas en inglés) que se puede usar en los comercios autorizados, pero la autorización y supervisión de los comercios varía. En el SNAP, FNS lleva a cabo la autorización y la supervisión de comercios a nivel federal; en el PAN, ADSEF es responsable de cumplir con esta función. Los requisitos de los comercios son similares entre el SNAP y el PAN y, probablemente, cambiarían poco para muchos comercios como resultado de la implementación del SNAP. La supervisión de los más de 3,000 comercios autorizados en el PAN cambiaría de ADSEF a FNS, requiriendo que FNS atienda a una población de comerciantes predominantemente hispanohablante. FNS pasaría a ser responsable de monitorear las actividades de los comercios e investigar y enjuiciar el fraude de estos.

2. Componentes del programa nuevos o ampliados

Las agencias estatales operan varios componentes del SNAP que no están incluidos en el PAN o están incluidos en menor escala. Estos componentes incluyen requisitos de trabajo; SNAP E&T; respuesta a desastres, incluyendo el SNAP en caso de desastres (D-SNAP, por sus siglas en inglés); y SNAP-Ed. Para cada uno de los componentes del SNAP, ADSEF estaría obligado a desarrollar un plan formal; familiarizarse con las reglas y regulaciones que rigen los componentes; y desarrollar un sistema para supervisar, monitorear, e informar la participación:

- ▶ **Requisitos de trabajo.** Los participantes del SNAP deben cumplir con los requisitos generales de trabajo (a menos que cumplan con ciertas exenciones) para recibir los beneficios del SNAP. Los adultos aptos y sin dependientes (ABAWD, por sus siglas en inglés) tienen un límite de 3 meses de beneficios del SNAP en un periodo de 36 meses, a menos que cumplan con requisitos de trabajo adicionales. ADSEF planea implementar un requisito de trabajo para los ABAWD basado en las regulaciones del SNAP en un futuro cercano, pero, en el AF 2021, el PAN no tenía requisitos de trabajo generales o ABAWD. Para implementar el SNAP, ADSEF necesitaría implementar los requisitos de trabajo generales y ABAWD, incluyendo el seguimiento, el monitoreo y la presentación de informes de cumplimiento, así como el establecimiento de los límites de tiempo para los ABAWD.
- ▶ **SNAP E&T.** Las agencias estatales del SNAP deben operar el SNAP E&T y contribuir con los costos del programa. Debido a que el PAN no tiene un programa de empleo y capacitación, ADSEF sería responsable de diseñar uno, incluyendo la determinación de ser voluntario u obligatorio, a qué poblaciones o áreas geográficas serviría, los servicios que ofrecería el programa y si se implementaría a través de colaboraciones con otras agencias. Si el programa estuviera diseñado para exceder la cantidad de los fondos otorgados por el gobierno federal (determinado por fórmula), Puerto Rico necesitaría asignar fondos para cubrir el 50 por ciento de los costos administrativos y programáticos restantes. Independientemente de la cantidad de fondos proporcionados por el gobierno federal, Puerto Rico necesitaría financiar el 50 por ciento de los costos para proporcionar reembolsos a los participantes por los gastos relacionados con la participación en el programa, como el transporte.
- ▶ **Respuesta a desastres.** Bajo el SNAP, a raíz de una declaración presidencial de desastre que autoriza asistencia individual, las agencias estatales pueden solicitar una exención para operar un D-SNAP directamente al USDA sin acción del Congreso, mientras que, bajo el PAN, la agencia debe esperar a que el Congreso asigne fondos de ayuda después de un desastre. Implementar el

SNAP en Puerto Rico le permitiría a ADSEF responder más rápidamente con fondos adicionales en caso de un desastre. También desviaría significativamente de la provisión y el uso de fondos de ayuda bajo el PAN. Los beneficios del D-SNAP son sólo para hogares afectados por un desastre que actualmente no reciben el SNAP, pero las agencias estatales también pueden proveer suplementos a los hogares participantes del SNAP. Los hogares generalmente reciben 1 mes de beneficios de D-SNAP o suplementos. Por otra mano, los fondos de ayuda para desastres del PAN han sido utilizados para aumentar los niveles de ingreso y los niveles de beneficios del PAN; estos cambios generalmente suelen durar más de un mes.

- ▶ **SNAP-Ed.** Bajo el SNAP, la educación nutricional es financiada en su totalidad por el gobierno federal a través de fondos otorgados del SNAP-Ed. El PAN opera un programa de educación nutricional (PEN), pero se considera un costo administrativo para el PAN y, como resultado, recibe fondos limitados. Si el SNAP se implementara en Puerto Rico, ADSEF tendría la oportunidad de diseñar e implementar un programa SNAP-Ed sólido y basado en evidencias y totalmente financiado por el gobierno federal. Mientras el SNAP-Ed tiene requisitos adicionales para la planificación, implementación, evaluación y presentación de informes a los requeridos por el PEN, ADSEF tiene varios recursos disponibles para apoyar la implementación del SNAP-Ed, incluyendo personal, procedimientos y asociaciones de educación nutricional.
- ▶ **Divulgación del SNAP.** FNS proporcionaría el 50 por ciento de los costos de un plan opcional de divulgación del SNAP para informar sobre el programa a las poblaciones elegibles para el SNAP de difícil acceso. ADSEF mantiene una sólida comunicación con los participantes del PAN a través de una variedad de canales de comunicación, pero no realiza un programa de divulgación formal con personas que no son participantes pero pueden ser elegibles para el programa debido a las altas tasas de participación del PAN en Puerto Rico. Si se implementara el SNAP en Puerto Rico, ADSEF tendría que considerar la necesidad y los costos de un plan de divulgación formal del SNAP para llegar a aquellos que no participan pero que puedan ser elegibles para el programa.

3. Desarrollo de Sistemas de Datos

Las agencias estatales utilizan los sistemas de datos para verificar la elegibilidad del SNAP, emitir beneficios, realizar la verificación de datos y completar las actividades de administración de casos, entre muchas otras funciones y actividades importantes. Estos sofisticados sistemas de datos deben procesar innumerables y complejas reglas de ingresos y de elegibilidad, conectarse con múltiples interfaces externas y permitir que el personal técnico modifique y expanda la funcionalidad del sistema de datos para alinearse con los requisitos de la política del SNAP y mejorar la eficiencia. Los sistemas de datos del SNAP ayudan a las agencias estatales a operar varios componentes del programa, incluyendo el D-SNAP, requisitos de trabajo y SNAP E&T, y permite a las agencias estatales cumplir con los requisitos de informes de FNS. Los estados que han operado el SNAP durante décadas continúan realizando importantes inversiones en actualizaciones de sistemas de datos para simplificar procesos, mejorar la eficiencia del programa y asegurar que se cumpla con los requisitos del SNAP.

Los sistemas de datos del PAN de ADSEF están adaptados para operar un programa de fondos fijos. Los sistemas de datos fundamentales del PAN se desarrollaron en la década de 1990 y ADSEF ha actualizado estos sistemas para proporcionar funcionalidades específicas a lo largo del tiempo. Las principales funcionalidades de los sistemas de datos del PAN son evaluar elegibilidad y proporcionar beneficios.

Bajo el SNAP, ADSEF necesitaría hacer selecciones específicas de políticas y procedimientos del programa y desarrollar sistemas de datos del SNAP que se alineen con esas opciones y cumplan con los requisitos federales. ADSEF sería responsable de demostrar que los sistemas de datos cumplen con los requisitos detallados de funcionalidad, como asegurar la determinación correcta de elegibilidad basada en una programación precisa de reglas de ingresos y de elegibilidad, a través del proceso del Documento de Planificación Avanzada (APD, por sus siglas en inglés) de FNS. No se ha requerido que los sistemas de datos del PAN demuestren cumplimiento con los requisitos federales de funcionalidad, lo que sugiere que sería poco probable que pudieran modificarse para cumplir con los requisitos del SNAP. Como resultado, ADSEF probablemente necesitaría supervisar el desarrollo y la implementación de nuevos sistemas de datos para operar el SNAP de manera eficiente y en cumplimiento.⁸

4. Supervisión Federal

Debido a que el PAN está financiado con fondos fijos, el gobierno de Puerto Rico y ADSEF tienen una autonomía considerable para diseñar e implementar el programa con mínimos requisitos federales. Además de los cambios programáticos que ocurrirían en una transición del PAN al SNAP, ADSEF tendría que cumplir con requisitos más detallados y numerosos en cuanto a presupuestos, informes e integridad programática bajo el SNAP. Específicamente, ADSEF necesitaría realizar los siguientes cambios:

- ▶ **Presupuestos.** Para el PAN, ADSEF presenta varios informes presupuestarios y financieros a FNS para demostrar cómo se gastarán y se gastan los fondos del programa en cuatro categorías administrativas: total de costos operativos, operaciones de procesamiento automatizado de datos, educación nutricional y emisión de EBT. El SNAP requiere presupuestar cuatro categorías detalladas de costos administrativos que son subconjuntos del total de los costos operativos del PAN: certificación, control de calidad (QC, por sus siglas en inglés), evaluaciones administrativas e integridad programática. Los costos relacionados con el SNAP E&T, divulgación del SNAP, la comparación de datos de verificación sistemática de extranjeros para programas de asistencia (SAVE, por sus siglas en inglés), desarrollo de procesamiento de datos automatizado, y fondos de inicio de EBT también se deben monitorear en los presupuestos del SNAP.
- ▶ **Informes.** ADSEF prepara y envía varios informes a FNS, incluyendo los informes de los comercios, las estimaciones de emisión y participación, la conciliación de emisión, los informes de emisión de beneficios para desastres y el estado de reclamaciones contra hogares. Mientras muchos de éstos son análogos a los formularios de informes del SNAP, ADSEF necesitaría proporcionar informes más detallados sobre varios indicadores para la mayoría de los informes. ADSEF también tendría que presentar informes separados sobre las actividades del SNAP E&T y del SNAP-Ed, la raza y el origen étnico de los participantes, y los resultados de vistas administrativas, investigaciones de integridad del programa y audiencias de descalificación administrativa. La incorporación de dichos componentes en los sistemas de datos del SNAP sería fundamental para garantizar el cumplimiento.
- ▶ **Integridad Programática.** ADSEF lleva a cabo varias actividades para garantizar la integridad del programa en el PAN, incluyendo las revisiones de casos, las investigaciones de fraude y las evaluaciones administrativas internas. ADSEF calcula las tasas de error del programa para las oficinas locales y regionales basándose en los hallazgos de la revisión de casos. FNS realiza

⁸ Funciones necesarias de los sistemas de datos incluyen determinación de elegibilidad, manejo de casos, verificación de datos, administración financiera y contabilidad, emisión y monitoreo EBT, revisión de control de calidad estatal y determinación de elegibilidad para el SNAP para desastres. Otras funciones de los sistemas de datos que podrían ser incorporados durante el proceso de desarrollo inicial o durante una expansión posterior incluyen imágenes de documentos, monitoreo de participación y resultados del SNAP E&T, aplicaciones en línea, manejo de casos en línea y programa (“software”) del centro de llamadas.

evaluaciones administrativas anuales de los operativos del PAN. Estas actividades son similares a las actividades de integridad programática realizadas para el SNAP, con ciertas diferencias importantes. Para el SNAP QC, FNS vuelve a revisar una submuestra de las revisiones de casos realizadas a nivel de la agencia estatal y calcula las tasas de error de pago para las agencias estatales. Dependiendo de las tasas de error de una agencia estatal, FNS puede evaluar penalidades financieras. FNS también necesitaría asegurar que las evaluaciones administrativas federales y el cumplimiento con las revisiones de derechos civiles de ADSEF sean consistentes con las realizadas para otras agencias estatales. ADSEF necesitaría continuar las evaluaciones internas, ajustándolas para cumplir los requisitos de evaluaciones administrativas de las agencias estatales del SNAP para asegurar que estén en cumplimiento con las políticas del SNAP.

E. Hallazgos: Facilitadores y Obstáculos para la Implementación del SNAP

La implementación del SNAP en Puerto Rico requeriría un extenso componente de diseño y planificación del programa, lo que resultaría en cambios importantes en las políticas y procedimientos de ADSEF. A través del análisis de cambios del programa y las entrevistas con grupos de interés, el equipo encargado del estudio identificó facilitadores que podrían promover una implementación exitosa y varios retos que podrían impedir la implementación del SNAP.

1. Facilitadores de la implementación del SNAP

Puerto Rico y ADSEF tienen fortalezas en varias áreas que ayudarían a facilitar una transición sin contratiempos del PAN al SNAP.

a. Amplio apoyo para el PAN y el SNAP

El PAN es popular en Puerto Rico, lo que resulta en altas tasas de participación en el programa, y la mayoría de los grupos de interés entrevistados creyeron que una transición al SNAP ayudaría a ADSEF a brindar un mejor apoyo a las personas y familias con bajos ingresos. La popularidad del PAN podría facilitar una transición sin problemas para los participantes, ya que la información sobre el programa se difundiría rápida y orgánicamente. ADSEF podría utilizar sus canales actuales de comunicación para llegar a más participantes potenciales en toda la Isla en el periodo previo al lanzamiento del SNAP.

El personal y el liderazgo de ADSEF, la Junta de Supervisión y Administración Financiera para Puerto Rico, los comerciantes y varias organizaciones comunitarias y sin fines de lucro apoyaron al SNAP porque aumentaría los beneficios de asistencia nutricional en la Isla. Algunos enfatizaron el tema de la justicia social señalando la disparidad entre la asistencia nutricional en Puerto Rico y los estados; otros señalaron que un mayor financiamiento federal en Puerto Rico ayudaría a la economía. Muchos de los grupos de interés también apoyaron al SNAP porque permitiría a Puerto Rico responder con mayor rapidez a desastres y porque se anticipa que los requisitos de trabajo beneficiarían a la Isla en general al promover una mayor participación en la fuerza laboral.

b. Posibles colaboraciones

Si el SNAP se implementara en Puerto Rico, ADSEF tendría importantes asociaciones que serían un recurso para establecer y expandir los componentes del programa, incluyendo SNAP E&T, D-SNAP y SNAP-Ed:

- ▶ Puerto Rico cuenta con una sólida infraestructura de fuerza laboral a través del Departamento de Desarrollo Económico y Comercio y sus Áreas de Desarrollo de la Fuerza Laboral Local, que operan los Centros de Empleo Americanos (American Job Centers). Varios otros colaboradores potenciales también expresaron su apoyo para un programa de SNAP E&T. ADSEF podría aprovechar esta red al diseñar, administrar y operar dicho programa.
- ▶ ADSEF podría hacer uso de las conexiones actuales entre el Departamento de la Familia y la Agencia Estatal para el Manejo de Emergencias y Administración de Desastres en Puerto Rico para desarrollar las alianzas necesarias para una planificación efectiva del D-SNAP, incluyendo asegurar los accesos a los datos necesarios. ADSEF también podría trabajar con otros colaboradores (por ejemplo, el Banco de Alimentos de Puerto Rico) para obtener acceso a redes de voluntarios para apoyar las operaciones del D-SNAP.
- ▶ Los grupos de interés describieron el SNAP-Ed como una oportunidad para que ADSEF desarrolle acuerdos formales con otras agencias y organizaciones, como la Universidad de Puerto Rico y el Departamento de Recreación y Deportes de Puerto Rico. Estos acuerdos podrían fortalecer la implementación del SNAP-Ed en Puerto Rico y generar nuevas oportunidades de colaboración, evaluación e intercambio de recursos relacionados con la educación nutricional y la prevención de la obesidad.

c. Adaptabilidad

La capacidad demostrada por ADSEF para adaptarse rápidamente a circunstancias cambiantes—por ejemplo, en respuesta a los desastres recientes—facilitaría el desarrollo y operación de un programa D-SNAP. Luego del huracán Irma y el huracán María, ADSEF trabajó rápidamente para organizar eventos a gran escala para solicitar el PAN en persona. La agencia también procesó cientos de miles de solicitudes simplificadas del PAN en los primeros días de la pandemia del COVID-19. Estas experiencias previas han demostrado que el personal de ADSEF puede responder rápidamente para adaptarse a nuevas circunstancias.

d. Modernización del PAN

ADSEF ha implementado mejoras a las políticas, procedimientos y los sistemas del PAN y planifica otras mejoras que podrían facilitar la implementación del SNAP en Puerto Rico:

- ▶ **Requisitos de trabajo.** ADSEF comenzó a planificar los requisitos de trabajo del PAN para los ABAWD en octubre de 2020 con el desarrollo de un comité de planificación compuesto por representantes de todo el sistema de fuerza laboral, incluyendo agencias gubernamentales. En junio 2021, ADSEF esperaba completar la fase de planificación para finales del 2021 y comenzar las fases de desarrollo e implementación en los años siguientes.
- ▶ **D-SNAP.** En los últimos años, ADSEF ha desarrollado un plan D-PAN basado en la plantilla del plan D-SNAP para estar preparado para ayudar a los sobrevivientes de desastres más rápidamente después de un desastre. Aunque el plan D-SNAP tiene requisitos adicionales, ADSEF tiene un punto de partida para desarrollarlo.
- ▶ **Solicitudes en línea.** ADSEF lanzó un sistema completo de administración de citas y solicitudes en línea en otoño de 2021. A través de esta plataforma la agencia también ofrece una serie de opciones de autoservicio en línea para que los participantes del PAN envíen verificaciones e informes de cambio.

- ▶ **Digitalización.** ADSEF ha desarrollado planes para la transición de todos los expedientes de casos a un formato digital, comenzando por almacenar digitalmente los registros de recertificación a partir de agosto 2021.

Aunque la transición del PAN al SNAP requeriría el diseño y desarrollo de un nuevo programa en Puerto Rico, ADSEF podría aprovechar muchas mejoras que ha comenzado a planificar e implementar en los últimos años.

e. Personal dedicado

ADSEF cuenta con un personal extremadamente dedicado de empleados de primera línea y de alto nivel. Aunque el reclutamiento y la retención de empleados sigue siendo un reto, ADSEF emplea a muchos miembros del personal con décadas de experiencia. El personal de toda la agencia hace todo lo posible para satisfacer las necesidades de las familias de toda la Isla.

2. Obstáculos para la Implementación del SNAP

Varios factores podrían dificultar la implementación del SNAP. Para la implementación exitosa, el Congreso, FNS, la legislatura de Puerto Rico, y ADSEF tendrían que dedicar recursos sustanciales para abordar estos obstáculos.

a. Conocimiento limitado de la política del SNAP

Las regulaciones del SNAP, las características del diseño del programa y los requisitos federales son significativamente más numerosos que los del PAN, y el SNAP también incluye componentes, como los requisitos de trabajo y el SNAP E&T, que serían nuevos para ADSEF. El liderazgo y el personal de carrera de ADSEF necesitarían trabajar en estrecha colaboración con FNS para crear un entendimiento sólido para cada decisión de diseño de políticas y garantizar que esas decisiones se pongan en práctica con precisión y eficacia en el desarrollo de sistemas de datos. El personal de FNS en la Oficina Nacional y en MARO necesitarían proporcionar una asistencia técnica significativa y compartir sus conocimientos para facilitar la toma de decisiones y el cumplimiento de los requisitos federales en la planificación, las pruebas y el lanzamiento del SNAP.

b. Dotación de personal

La implementación del SNAP en Puerto Rico requeriría un aumento significativo de personal para manejar el aumento de casos y requisitos adicionales del programa. Los grupos de interés entrevistados para el estudio compartieron sus preocupaciones sobre la escasez de personal, la falta de planificación de sucesión y la incapacidad de encontrar y retener personal cualificado—en particular, técnicos de elegibilidad—para el PAN con las tasas salariales del gobierno de 2021. La continuidad de liderazgo también es deseable, porque una alta rotación podría resultar en la pérdida de conocimiento crítico del proyecto y retrasos en los plazos a medida que se incorporan nuevos miembros al equipo. Los retos asociados con la dotación de personal podrían obstaculizar significativamente la capacidad de Puerto Rico para operar el SNAP de acuerdo con las regulaciones federales.

c. Costos administrativos

Se espera que la parte de los costos administrativos del SNAP que cubriría Puerto Rico sería más del doble que la parte de los costos administrativos del PAN del AF 2021. Las partes interesadas en Puerto

Rico confiaban que el gobierno de Puerto Rico proporcionaría financiamiento para el 50 por ciento de los costos administrativos para operar el SNAP; sin embargo, el incremento en gastos podría ser un reto debido a las limitaciones financieras de la Isla. En el 2016, Puerto Rico declaró que no podría repagar su deuda y solicitó que se le permitiera declararse en bancarrota. El gobierno federal denegó esta solicitud y firmó el Puerto Rico Oversight, Management and Economic Stability Act of 2016 (PROMESA) para reestructurar la deuda de Puerto Rico y establecer la Junta de Supervisión y Administración Financiera para Puerto Rico como método de lograr responsabilidad fiscal (Financial Oversight & Management Board for Puerto Rico, n.d.; Sullivan, 2018).

ADSEF tendría que cumplir con los mismos requisitos del programa que las agencias estatales para recibir un reembolso administrativo del 50 por ciento de FNS, incluyendo el cumplimiento de la integridad del programa, la presentación de informes, la puntualidad del procesamiento de solicitudes, y otros estándares. Si ADSEF no cumpliera con estos requisitos, o los procesos dieran como resultado altas tasas de error en los pagos, el financiamiento administrativo podría verse comprometido, colocando una mayor carga financiera en Puerto Rico.

El diseño, la planificación y la implementación inicial del SNAP también requerirían un financiamiento significativo en el transcurso del periodo de implementación de 10 años (estimado entre \$341 millones y \$426 millones) con aproximadamente 84 por ciento del total de los costos requeridos para el desarrollo de los sistemas de datos. Debido a que ninguna agencia estatal ha implementado el SNAP en las pasadas cuatro décadas, no existe precedente de hasta qué punto Puerto Rico asumiría esos costos, en comparación con el gobierno federal. El gobierno federal podría aliviar este reto de manera significativa financiando completamente los costos de implementación.

d. Sistemas de datos

Los grupos de interés del PAN, incluyendo el personal de FNS, el personal de ADSEF y los contratistas de tecnología de información (IT, por sus siglas en inglés), señalaron varios retos que ADSEF podría enfrentar en implementar sistemas de datos para el SNAP:

- ▶ **Sistemas anticuados de datos del PAN.** La mayoría de los grupos de interés estuvieron de acuerdo en que el sistema de datos central del PAN es anticuado y no puede aplicar los numerosos requisitos de políticas e informes necesarios bajo el SNAP. Los sistemas de datos del PAN desarrollados más recientemente se diseñaron para interactuar con la infraestructura obsoleta del sistema central, aunque utilizan tecnología más moderna. Los grupos de interés concluyeron que no sería práctico, factible ni costo efectivo modificar los sistemas actuales de datos del PAN para su uso en el SNAP.
- ▶ **Falta de inversión adecuada en sistemas de datos y personal.** Los grupos de interés citaron las reducciones en el financiamiento para el mantenimiento de los sistemas de datos del PAN y la dotación de personal como un reto que ha limitado la capacidad de ADSEF para actualizar los sistemas anticuados y mantener los conocimientos técnicos de los sistemas de datos del PAN. La Oficina de Tecnología e Información de ADSEF ha tenido reducciones significativas de personal a lo largo del tiempo: ADSEF anteriormente empleaba a 100 personas dedicadas a respaldar los sistemas de datos del PAN, pero ahora sólo emplea a 10, ninguno de los cuales es personal técnico o de programación.
- ▶ **Requisitos de sistemas de datos pobremente especificados.** Los contratistas de IT del PAN describieron los retos continuos relacionados con los requisitos poco claros que ADSEF

proporciona sobre el sistema de datos. La agencia carece de personal que comprenda completamente las capacidades de los sistemas de datos del PAN y cómo se alinean con los requisitos operativos, lo que hace que los sistemas de datos del PAN no siempre satisfagan las necesidades de ADSEF.

- ▶ **Procesos de adquisición prolongados.** ADSEF y los contratistas de IT del PAN describieron el proceso general de adquisiciones en Puerto Rico como lento e indicaron que requiere de muchos pasos y aprobaciones; FNS también necesita aprobar todos los procesos de adquisición. La Oficina de Sistemas Estatales (State Systems Office) de FNS señaló que es probable que la adquisición de sistemas de datos demore más de lo esperado como resultado de los retrasos en la contratación.
- ▶ **Reglas y requisitos de FNS para el desarrollo de los sistemas de datos.** El proceso de desarrollo de los sistemas de datos de ADSEF necesitaría cumplir con los requisitos de FNS (por ejemplo, proveer solicitudes para propuestas y contratos para ser revisados por FNS, el proceso de documento de planificación previa), una tarea significativa de la cual ADSEF tiene experiencia reciente limitada.

Antes de hacer la transición al SNAP, ADSEF tendría que abordar cada uno de estos retos para contar con el apoyo fundamental necesario para administrar con éxito un proyecto de sistemas de datos para el SNAP de esta escala sin precedentes. El desarrollo e implementación de sistemas de datos para el SNAP requerirían de fondos y recursos de personal significativos, requisitos detallados y completos de sistemas de datos y procesos de adquisición y contratación eficientes. Los continuos retos en cualquiera de estas áreas podrían resultar en excedentes significativos en los costos y en el cronograma de implementación.

e. Infraestructura de las oficinas locales

Los grupos de interés señalaron que las oficinas locales del PAN tienen condiciones inadecuadas en cuanto a los edificios, acceso a internet, teléfonos, electricidad estable y materiales de oficina, lo que podría obstaculizar la implementación del SNAP si esto no se abordara. En los últimos años, ADSEF ha cerrado 14 oficinas locales y 1 oficina regional debido a la escasez de personal y a los graves daños sufridos en los terremotos de 2020. La falta de una infraestructura de comunicación adecuada también plantea un reto para los solicitantes y participantes del PAN, que pueden no poder comunicarse con su oficina local cuando las líneas telefónicas no funcionan.

f. Idioma, traducción

Muchas de las actividades involucradas en la implementación del SNAP, particularmente las actividades de colaboración entre ADSEF y FNS en el diseño y planificación del programa, necesitarían servicios de traducción e interpretación para asegurar la clara comunicación y responsabilidad. Mientras muchos empleados y contratistas de ADSEF son bilingües (español e inglés), no todos lo son, y su nivel de dominio del inglés varía. Sería crucial para FNS traducir todos los documentos importantes (por ejemplo, las guías) y hacerlos disponibles a ADSEF en español e inglés. También sería necesario garantizar la disponibilidad de traducción o la interpretación en todas las reuniones y comunicaciones entre ADSEF y FNS, los desarrolladores de sistemas de datos y otros.

Mientras el español y el inglés son los lenguajes predominantes en Puerto Rico, ADSEF necesitaría planear para servicios de interpretación y traducción para participantes con dominio limitado del inglés y del español. ADSEF necesitaría seleccionar los servicios de interpretación apropiados (es decir, en

persona, líneas telefónicas de interpretación o personal bilingüe) y decidir cuales documentos serían considerados vitales para ser traducidos a otros lenguajes siguiendo las reglas para minorías de un solo idioma dentro de áreas específicas del proyecto descritas bajo 7 C.F.R. § 272.4(b)⁹. FNS también necesitaría acomodar a una población de comerciantes que es predominantemente hispanohablante y necesitaría traducir los materiales para los comerciantes, como correspondencia de comerciantes.

F. Hallazgos: Cronograma y Costos

Este plan ofrece un cronograma estimado de la implementación basado en la aportación de FNS y ADSEF; las experiencias de agencias estatales del SNAP; y la comprensión del equipo encargado del estudio en cuanto a los procesos dentro del gobierno federal, el gobierno de Puerto Rico y ADSEF. Dada la escala sin precedentes de este proyecto, es imposible predecir exactamente cuánto tiempo tomaría cada paso. Ciertas fases de la implementación podrían ocurrir más rápidamente si se alinean los procesos y el tiempo de diferentes aspectos de la implementación. Por otro lado, las fases podrían demorarse si, por ejemplo, la adquisición o prueba de los sistemas de datos se tardan más de lo anticipado o en el evento de un desastre natural. El cronograma y las estimaciones de costos presentados en este documento están basados en la experiencia de los grupos de interés y dominio del tema de expertos en la materia relacionado a la implementación de proyectos de tamaño y magnitud sustancial. Sin embargo, el cronograma y los costos actuales para la transición al SNAP pueden diferir y Puerto Rico no debería ser esperado o mandado a cumplir con este cronograma o estimaciones de costos.

ADSEF y FNS colaborarían a lo largo de cinco fases de implementación: (1) cambios legislativos en Puerto Rico, (2) desarrollo de regulaciones, (3) diseño del programa, (4) planificación, y (5) prueba, adiestramiento y lanzamiento. Cada una de estas fases incluye varias tareas, algunas de las cuales pueden ser completadas antes del tiempo anticipado para completar la fase. Sin embargo, dentro de cada fase, hay al menos un paso limitante de la velocidad que impulsa la línea de tiempo.

- ▶ **Cambios legislativos de Puerto Rico.** Se estima que la legislatura de Puerto Rico necesitaría 12 meses para reemplazar todo el lenguaje que rija el PAN con nuevo texto legislativo que proporcione autoridad estatutaria que rija los operativos del SNAP en Puerto Rico.
- ▶ **Desarrollo de regulaciones.** FNS necesitaría finalizar el desarrollo de regulaciones antes de que se finalicen las de Puerto Rico. Se anticipa que FNS se tomaría 18 meses para completar sus regulaciones. Las regulaciones de Puerto Rico pueden completarse 6 meses luego de eso.
- ▶ **Diseño del programa.** Varias tareas de esta fase deben ser completadas antes de que la siguiente fase pueda comenzar. Esto incluye revisar un gran volumen de materiales del SNAP y participar en intercambios estatales (es decir, visitar a otras agencias estatales) para aprender los detalles de la administración del programa. Luego, ADSEF tomaría decisiones importantes sobre como el SNAP se implementaría el SNAP en Puerto Rico.¹⁰
- ▶ **Planificación.** ADSEF necesitaría planificar y desarrollar los sistemas de datos del SNAP para cumplir con los requisitos federales y calcular con precisión la elegibilidad y emitir beneficios. Las agencias estatales pueden tardar de 4 hasta más de 10 años en completar los pasos del

⁹ Parte 15 del 7 CFR requiere que las agencias estatales lleven a cabo una evaluación de necesidades de utilizando un análisis de cuatro factores para determinar cuáles pasos adicionales serían necesarios para asegurar un acceso significativo a participantes con un dominio de inglés, en el caso de Puerto Rico, un dominio limitado de español.

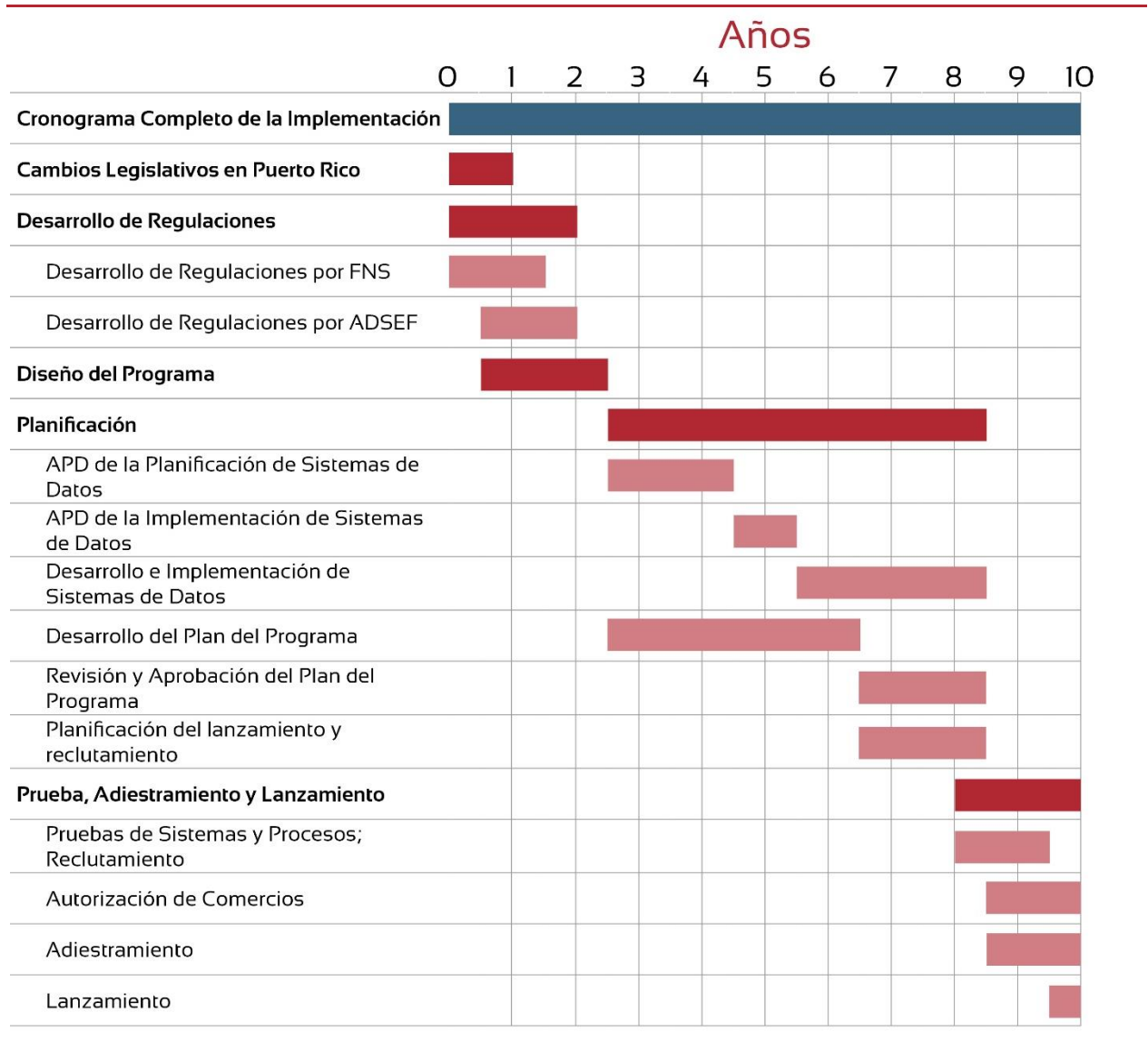
¹⁰ Esta fase podría ocurrir más rápidamente si ADSEF comenzara el proceso de diseño del programa antes de recibir la autorización para el SNAP por parte del Congreso.

proceso del Documento de Planificación Avanzada. Ningún proyecto reciente de sistemas de datos de las agencias estatales del SNAP se compara con la escala de trabajo de sistemas de datos que sería requerido para implementar el SNAP en Puerto Rico, por lo que los sistemas de datos podrían requerir más tiempo para Puerto Rico. Para propósitos del cronograma, se estimó que la fase de planificación tomaría 6 años.

- ▶ **Prueba, adiestramiento y lanzamiento.** Los sistemas de datos deben cumplir con criterios específicos de *va/no va* ("go/go no") durante dos rondas de pruebas antes de ser implementados. El cronograma incluye un periodo de 18 meses para las pruebas.

El equipo encargado del estudio estima que un periodo de 10 años sería necesario para implementar completamente el SNAP en Puerto Rico luego de la autorización por el Congreso de EE. UU. Algunas de estas fases ocurrirían simultáneamente (ver gráfica ES.2).

Gráfica ES.2. Cronograma de Implementación



Nota: APD = documento de planificación avanzada

1. Costos de Implementación y Costos Administrativos Continuos

El equipo encargado del estudio estimó los costos aproximados en orden de magnitud para Puerto Rico y el gobierno federal para implementar y operar el SNAP en Puerto Rico:

- ▶ Se estimó que la implementación del SNAP (es decir, llevar a cabo el diseño del programa; la planificación; y las fases de prueba, capacitación y lanzamiento) tendría un costo aproximado de entre \$341 millones y \$426 millones en el transcurso del periodo de implementación de 10 años. Aproximadamente el 84 por ciento del total de los costos de implementación es para el desarrollo de los sistemas de datos.
- ▶ La administración del SNAP, después del lanzamiento, costaría un estimado de \$249 millones a \$414 millones por año (en dólares de 2031).¹¹ FNS incurriría aproximadamente 54 por ciento de estos costos, incluyendo cerca de 50 por ciento de los costos administrativos de Puerto Rico y costos adicionales para la Oficina Nacional de FNS y MARO. En dólares de 2021, esto sería más del doble de las contribuciones de Puerto Rico a los costos administrativos de asistencia nutricional.
- ▶ El costo estimado de los beneficios otorgados a los participantes del SNAP en Puerto Rico sería \$4.5 billones anuales en dólares de 2031¹².

Estas estimaciones de costos se basaron en estimaciones de la participación del SNAP en Puerto Rico derivadas de un modelo de microsimulación utilizando datos de la Encuesta sobre la Comunidad de Puerto Rico de 2019, que indicó que se espera que aproximadamente 861,000 hogares participen en el SNAP.

Este reporte también está disponible en español. Vea *Actualización del Estudio de Viabilidad para la Implementación del SNAP en Puerto Rico: Informe Final* por Thorn et al., 2022.

¹¹Las estimaciones de costos operativos anuales incluyen costos de certificación, emisión, control de fraude, operación y mantenimiento de sistemas de datos, SNAP E&T, control de calidad, vistas administrativas, evaluaciones administrativas y SNAP-Ed.

¹² Este estimado asume que el beneficio promedio del SNAP por hogar en Puerto Rico sería igual a el punto medio entre el promedio de beneficios en los 48 estados y el Distrito de Columbia y el promedio de beneficios por hogar en las Islas Vírgenes.

Chapter 1. Introduction

In lieu of the Supplemental Nutrition Assistance Program (SNAP), the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA) oversees a block grant to Puerto Rico to fund its Nutrition Assistance Program (NAP). Puerto Rico received initial Federal block grant funds and began administering NAP in 1982. Unlike SNAP, the block grant is capped each year at an amount determined by Congress, and benefit levels for NAP participants are constrained by the limited funding amount. Although NAP is modeled after and closely resembles SNAP in its administration, the block grant offers greater flexibility than State agencies have with SNAP. This report presents the results of a USDA FNS study to compare the administrative, operational, and program integrity processes in NAP with SNAP requirements and describes crucial considerations for Congress, FNS, and Puerto Rico if Puerto Rico were to implement SNAP. This study was mandated by Section 776 of the Further Consolidated Appropriations Act, 2020 (Pub. L. 116–94); it provides an update to chapter IV of the 2010 report, *Implementing Supplemental Nutrition Assistance Program in Puerto Rico: A Feasibility Study*.

Administering SNAP in Puerto Rico with the same laws and regulations as SNAP State agencies would require Federal and local legislative, regulatory, and policy changes; substantial effort and collaboration between FNS and Puerto Rico in designing SNAP and developing an infrastructure to support the program; and funding to implement and maintain the program. Successfully executing SNAP requirements across all program areas would require a detailed implementation plan based on these analyses and grounded in the political and economic context of Puerto Rico. This report examines the following topics in detail as they relate to NAP and SNAP:

- ▶ Legislative, policy, and regulatory requirements
- ▶ Eligibility determination and benefit issuance
- ▶ Program integrity
- ▶ Retailer authorization and management
- ▶ Work requirements and employment and training
- ▶ Nutrition assistance after a disaster
- ▶ Nutrition education
- ▶ Program administration, including participant outreach and communications, fair hearings, civil rights, and financial reporting
- ▶ Data systems

The report presents a detailed discussion of feasibility considerations and changes needed to implement SNAP in these areas and a summary of the timeline and costs needed for SNAP implementation. For more details on the timeline and costs, see *Update to Feasibility Study of Implementing SNAP in Puerto Rico: Implementation Plan* (Thorn et al., 2022).

A. Background

The mission of FNS is to increase food security and reduce hunger by providing individuals with low incomes access to food, a healthful diet, and nutrition education in a manner that supports American agriculture and inspires public confidence. FNS currently administers SNAP in all 50 States, the District of

Columbia, and 2 of the 5 inhabited U.S. territories—Guam and the Virgin Islands.¹³ SNAP is the largest component of major Federal efforts to provide a food security safety net across the United States and its territories. Federal expenditures on SNAP exceeded \$60 billion in fiscal year (FY) 2019 (USDA FNS, 2021d). SNAP benefits are intended to cover the difference between what a participating household can afford for food and the estimated minimal cost of an adequate diet. These benefits are provided through an electronic benefit transfer (EBT) card, which can be used to purchase food at authorized retailers. Because SNAP is an entitlement program, Federal spending on the program varies with participation, which is closely linked to economic conditions, eligibility rules, and benefit levels. The Federal Government covers the costs of all SNAP benefits and half of State agencies' administrative costs, and State or territory governments are responsible for paying the other half of the costs of administering SNAP at the State agency level.

Puerto Rico's NAP is designed and administered by the Administración de Desarrollo Socioeconómico de la Familia (ADSEF), or the Administration for the Socioeconomic Development of the Family, using block grant funds from the Federal Government. The total cost of the NAP block grant in FY 2021 was approximately \$2.0 billion (USDA FNS, 2020b). The block grant pays for all benefit costs and 50 percent of Puerto Rico's administrative costs, and Puerto Rico contributes the other 50 percent of NAP administrative costs. Because the block grant is capped, eligibility and benefit levels are set to ensure program costs do not exceed authorized funding levels. While NAP's net income limits increased about threefold between FY 2019 and FY 2021 to be comparable with SNAP, NAP generally offers significantly lower maximum benefit levels than SNAP: For a family of three in FY 2021 in the absence of disaster relief funding, the maximum NAP block grant benefit was 59 percent of the SNAP maximum benefit (L. Leduc, personal communication, June 29, 2021). At certain times in recent years, relief funds granted by the Federal Government to counteract the economic impacts of hurricanes, earthquakes, and the COVID-19 pandemic have made NAP maximum benefits more similar to SNAP maximum benefits.

NAP administration differs from SNAP in several other ways:

- ▶ ADSEF authorizes and monitors retailers participating in NAP; FNS serves this function for SNAP.
- ▶ Some SNAP participants are subject to work requirements, but NAP does not have such requirements. State agencies are also required to operate SNAP Employment & Training (E&T), but Puerto Rico does not offer employment and training to NAP participants.
- ▶ NAP cannot access additional funds for disaster response without action from Congress. Under SNAP, State agencies can request Disaster SNAP (D-SNAP) benefits directly from USDA without congressional action.
- ▶ Under SNAP, nutrition education is funded entirely by the Federal Government through SNAP Nutrition Education and Obesity Prevention Services grant program (SNAP-Ed) grants. In contrast, nutrition education is considered an administrative cost for NAP, so Puerto Rico and the Federal Government each fund half the cost.

B. Study Goals and Purpose

In December 2019, the U.S. Congress passed the Further Consolidated Appropriations Act, 2020 (Pub. L. 116–94). Section 776 of this bill requires an update to chapter IV of the 2010 study of the feasibility of

¹³ Like Puerto Rico, the Commonwealth of the Northern Mariana Islands and American Samoa each receive a block grant for operating a nutrition assistance program.

implementing SNAP in Puerto Rico pursuant to House Report 116–107. House Report 116–107 further elaborates that the updated feasibility study will focus on the administrative, operational, and program integrity aspects of the program and include a detailed plan for USDA and Puerto Rico to implement SNAP.

This study addresses two objectives:

- ▶ **Objective 1:** Provide a detailed update on the administrative, operational, and program integrity changes required to convert Puerto Rico’s NAP to SNAP.
- ▶ **Objective 2:** Develop a detailed implementation plan with specific steps, timelines, and cost estimates for reestablishing SNAP in Puerto Rico.

This feasibility report fulfills objective 1 by presenting in detail the characteristics of NAP and SNAP; describing differences in program rules, regulations, and operations between the two programs; and discussing considerations for SNAP implementation in Puerto Rico. The second objective is addressed in a separate implementation plan (Thorn et al., 2022), which describes in detail the steps Puerto Rico and FNS would need to take to design and implement SNAP in Puerto Rico, the timeline for implementing each step, and the cost of implementing and maintaining the program.

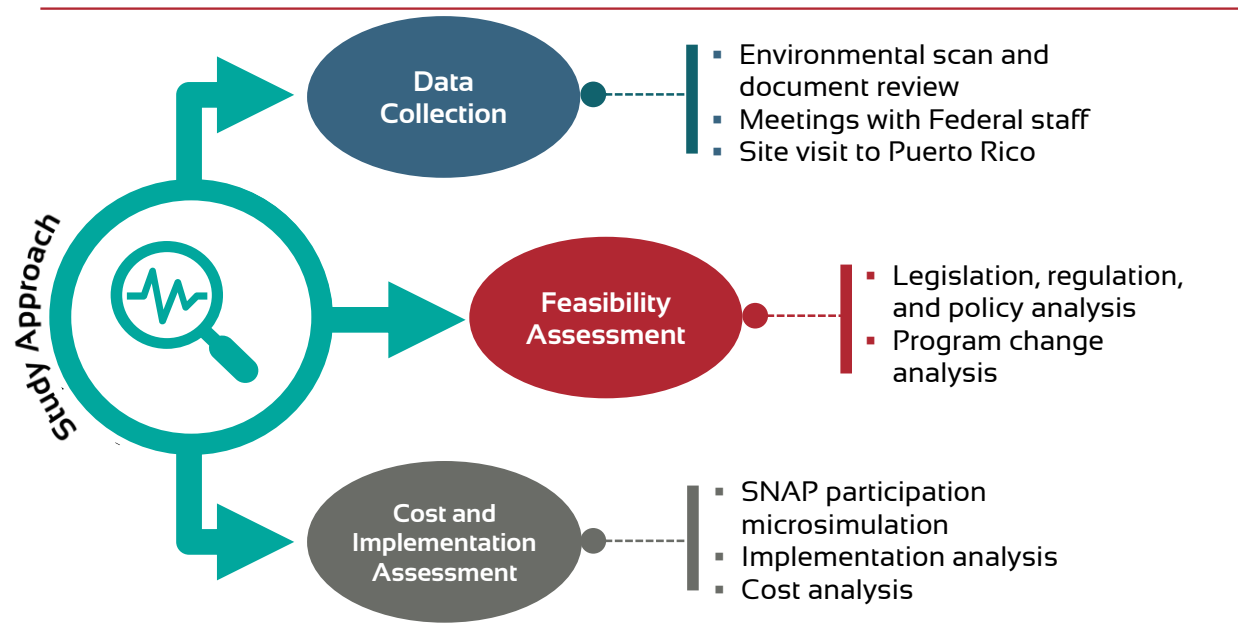
C. Organization of the Report

The remainder of this report presents findings on the feasibility of administering SNAP in Puerto Rico. Chapter 2 presents an overview of the study methods used to conduct this research. Chapters 3 and 4 provide historical background, an overview of the socioeconomic and demographic environment in Puerto Rico, and a description of nutrition assistance and other safety net programs in Puerto Rico. Chapter 5 describes the legislative changes required to implement SNAP in Puerto Rico and opportunities for strengthening NAP during SNAP development, along with associated regulatory processes. Chapters 6 through 13 provide an assessment of the policy, regulatory, and procedural changes that would be necessary to develop and implement SNAP in the areas of eligibility determination and benefit issuance, program integrity, retailer authorization and management, work requirements and SNAP E&T, disaster response, SNAP-Ed, and program administration, respectively. Chapter 14 describes the differences between NAP and SNAP data systems and provides an assessment of changes that would be required to develop SNAP data systems in Puerto Rico. Chapters 6 to 14 refer to a series of phases of the implementation process for SNAP: statutory and regulatory changes; program design; program planning; and testing, training, and rollout. These phases are presented in more detail in chapter 15, which describes the timeline for implementing SNAP in Puerto Rico and provides estimates for the costs of implementation, ongoing SNAP administration, and SNAP benefits in Puerto Rico. Chapter 16 offers overarching conclusions from the study, including a discussion of facilitators and barriers to implementing SNAP, modifications that could be made to NAP to improve program operations and facilitate a transition to SNAP, and stakeholder feedback on the overall feasibility and impacts of a transition to SNAP in Puerto Rico.

Chapter 2. Study Methodology

The objectives of this study are to (1) provide a detailed update on the administrative, operational, and program integrity changes required to convert Puerto Rico’s NAP to SNAP; and (2) develop a detailed implementation plan with specific steps, timelines, and costs for reestablishing SNAP in Puerto Rico. To address these objectives, the study team used a three-armed approach involving data collection and two types of assessment, illustrated in figure 2.1. Each data collection activity provided key inputs for the two assessments. This chapter provides an overview of the study methodology, including data collection methods (section A), the feasibility assessment (section B), and the cost and implementation assessment (section C).

Figure 2.1. Overview of the Approach



A. Data Collection

Data collection involved three main activities, described below.

1. Environmental Scan and Document Review

The environmental scan and document review provided context for collecting additional data during the site visit and informed the feasibility assessment and cost and implementation assessment:

- ▶ The environmental scan included collection of NAP and SNAP documents from FNS, ADSEF, and internet searches covering areas of particular interest to this study: legislative authority and related legislation, program eligibility, program integrity, SNAP E&T, D-SNAP and other emergency response operations, nutrition education, program administration, and data systems.

- ▶ The document review included an analysis of NAP-related program documentation, SNAP operational regulations and guidance, congressional studies, Federal audits, NAP disaster relief reports, and other relevant reports.

Together, these sources provided an understanding of the history of NAP in Puerto Rico and NAP policies and procedures, facilitating a detailed comparison of NAP and SNAP regulations and requirements. Appendix A provides a table listing documents reviewed. Unless otherwise specified, all documents and program materials reviewed were applicable to FY 2021.

2. Meetings With Federal Staff

Interviews with FNS staff gathered Federal perspectives on three topics: (1) policy and program changes needed to implement SNAP in Puerto Rico, (2) organizational and infrastructure changes needed, and (3) potential challenges associated with SNAP implementation. Because SNAP would likely serve more participants than NAP in Puerto Rico, interviews also explored anticipated capacity-building needs and administrative cost concerns for both FNS and Puerto Rico.

The study team conducted 18 formative interviews with key Federal stakeholders, including FNS employees in the National Office and the Mid-Atlantic Regional Office (MARO), which would oversee SNAP in Puerto Rico. Interviews were conducted via teleconference in fall and winter 2020 and recorded with permission. Table 2.1 provides a list of the Federal offices and staff the study team interviewed.

Table 2.1. Federal Offices Interviewed

National Office		Mid-Atlantic Regional Office
<ul style="list-style-type: none"> • Civil Rights Division • Office of Emergency Management • Office of Employment and Training • Office of Information Technology • Office of Policy Support/Planning and Regulatory Affairs Office • Program Accountability and Administration Division, Quality Control Branch and State Administration Branch 	<ul style="list-style-type: none"> • Program Development Division, Program Design Branch and Certification Policy Branch • State Systems Office • Retailer and Issuance Policy and Innovation Division • Retailer Operations and Compliance • SNAP Associate Administrator 	<ul style="list-style-type: none"> • Operations Branch • Integrity Branch • Financial Management • Caribbean Area Office

3. Site Visit to Puerto Rico

The study team conducted a 2-week site visit to Puerto Rico in June 2021 to develop a comprehensive understanding of NAP policies, NAP operations, and potential barriers and facilitators to SNAP implementation. The team conducted semi-structured interviews with ADSEF staff and a variety of other stakeholders, including authorized NAP retailers, community-based organizations (CBOs), employers, partner government agencies, and emergency management partners. The interviews covered multiple topics, including certification and benefit issuance policies and procedures, regional office and local office administration, NAP administration policies and procedures (e.g., budgeting, reporting, communications), program integrity, disaster response, nutrition education, retailer authorization and management, data systems, and work registration and employment and training. During each interview, respondents were asked to describe the policies and practices associated with NAP, strengths of the current program or operations that could be applied to SNAP development and implementation, and potential barriers to SNAP implementation based on their knowledge of SNAP policy and requirements.

Respondents also shared program-relevant documents (e.g., forms, reports, budgets) during the interviews.

All interviews (69 total) were conducted in Spanish and recorded with participants' permission; detailed notes were taken throughout the conversations. The recordings were transcribed and translated to English for analysis. Because of the COVID-19 pandemic, a few interviews were conducted virtually. See appendix A for a list of ADSEF offices and other stakeholders interviewed.

B. Feasibility Assessment

The study team conducted two types of data analysis to inform the feasibility assessment: (1) a legislation, regulation, and policy analysis examining rules governing NAP and SNAP; and (2) a program change analysis, focused on how NAP administration, policy, and procedures differ from SNAP. Both analyses were informed by the document review and environmental scan, interviews with Federal staff, and the site visit to Puerto Rico. The team coded all interview transcripts and detailed notes in NVivo using broad themes corresponding to specific SNAP domains (see text box). Secondary themes were used to organize key facets of each program domain for analysis and reporting. The study team also mapped relevant sections of documents from the environmental scan and documents provided by interview participants to these program domains. Key findings from these analyses are presented in chapters 5–14, and appendix B summarizes the main differences between NAP and SNAP; a brief description of the methods appears below.

Qualitative Coding Scheme

- Eligibility rules
- Benefit calculations
- Program integrity
- Work requirements
- Employment and training
- Disaster NAP/SNAP
- Nutrition education
- Other program administration activities (e.g., financial reporting, administrative hearings)
- Data systems

1. Legislation, Regulation, and Policy Analysis

The study team conducted the legislation, regulation, and policy analysis with the following goals:

- ▶ Identify legislative or regulatory changes that would be required to terminate NAP and implement SNAP in Puerto Rico.
- ▶ Describe the steps in updating legislation and regulations
- ▶ Identify SNAP policy options and waivers and assess their implications for workload, efficiency, program integrity, and administrative costs.

For each of the SNAP domains, the study team systematically reviewed all relevant documents and examined the legislative and regulatory authority for NAP and SNAP, regulatory changes and procedures, and descriptions of NAP procedures that relate to SNAP operations. Key SNAP policy options and waivers were discussed during and after the site visit with FNS and ADSEF to identify SNAP design choices for the purposes of estimating the cost of implementing SNAP in Puerto Rico.

2. Program Change Analysis

The study team conducted the program change analysis with the following goals:

- ▶ Describe differences in NAP and SNAP administrative and technical requirements.

- ▶ Describe differences in standard operating procedures in NAP and SNAP administration.
- ▶ Identify potential facilitators and challenges for Puerto Rico in implementing SNAP.

For each of the SNAP domains, the study team reviewed regulations, program documents, and interview responses to develop a comprehensive overview of requirements and procedures for NAP and SNAP. A comparative analysis was used to describe the current state of NAP, the “to-be” state of SNAP, and the minimum requirements to bridge the gap. Thematic analysis of interview discussions was conducted to summarize stakeholder feedback on specific topic areas to identify common perspectives, strengths, and challenges related to a potential transition from NAP to SNAP.

C. Cost and Implementation Assessment

The study team conducted a cost and implementation assessment composed of (1) a SNAP participation microsimulation model to estimate a SNAP caseload in Puerto Rico, (2) an implementation analysis to identify a process for implementing SNAP in Puerto Rico and the organizational and structural changes required for doing so, and (3) a cost analysis to estimate the cost for SNAP implementation and ongoing administration. Key findings from these assessments are presented in chapter 15, and a brief description of the methods appears below.¹⁴

1. SNAP Participation Microsimulation

The study team used a microsimulation model to update the estimates of eligible households and individuals in Puerto Rico since the 2010 study. The model uses the 2019 Puerto Rico Community Survey (PRCS), which includes detailed income, shelter expense, and demographic information on households in Puerto Rico, and a simplified version of SNAP eligibility rules; these eligibility rules are coded in the model.¹⁵ Just as an eligibility worker does, the model forms assistance units and applies SNAP eligibility rules to determine whether each household unit on the file is eligible for the program.¹⁶

SNAP eligibility was modeled under two scenarios: Federal SNAP rules and broad-based categorical eligibility (BBCE) rules, which confer categorical eligibility for SNAP to households that receive a noncash benefit funded by Temporary Assistance for Needy Families (TANF) or Maintenance of Effort funds. The microsimulation model applied the coded rules under each scenario to each household in the PRCS data to form assistance units and then determine whether each unit in the database was eligible for SNAP. To estimate SNAP participation, the study team used assumed participation rates among the eligible population based on State agency rates and NAP participation rates.

2. Implementation Analysis

The study team next outlined the steps FNS and Puerto Rico would need to take to successfully implement SNAP. This implementation assessment focused on four main questions:

1. What steps would be needed to implement SNAP in Puerto Rico, and which of those steps would depend on the successful completion of earlier steps?

¹⁴ Complete findings of these assessments, including SNAP participation estimates, administrative cost estimates, and implementation considerations, are presented in a separate report, *Update to Feasibility Study of Implementing SNAP in Puerto Rico: Implementation Plan* (Thorn et al., 2022).

¹⁵ The approach builds on SNAP eligibility routines originally developed by Newman and Scherpf for the American Community Survey and used to estimate SNAP access rates for geographic and demographic subgroups (Newman & Scherpf, 2013).

¹⁶ Because the PRCS collects data on annual income, the model provides estimates of the number of household units that would be eligible on average in 2019.

2. How long would each step take?
3. Who would be responsible for ensuring the successful completion of each step?
4. What resources would be necessary to ensure the successful completion of each step?

The data that informed the implementation assessment were drawn from interviews with FNS, ADSEF, and other stakeholders. The specific steps needed to implement SNAP in Puerto Rico cut across a range of domains: enacting legislation, obtaining funding, establishing regulations, developing policies and procedures, hiring additional staff and reassigning current staff, establishing contracts, acquiring additional infrastructure and data systems, gaining access to certain databases, training staff, and communicating with the public about program changes.

3. Cost Analysis

The study team developed an administrative cost model to produce rough order of magnitude estimates of (1) the implementation costs to transition from NAP to SNAP and (2) ongoing operational costs occurring after implementation. Costs associated with implementation, also known as startup costs, are one-time costs necessary for the program to become operational. To estimate labor costs associated with implementation, the team used a “building up” strategy based on estimates of the amount of time ADSEF and FNS staff would need to spend each year leading up to SNAP implementation, including planning and program design, trainings, documentation, data system design and specifications, and initial certification of participants. A precise estimate of data systems development costs would require detailed technical specifications. In the absence of required program design decisions and detailed technical specifications, the study team estimated implementation costs associated with eligibility system development taking the following steps: reviewing total costs to date of six current and recent eligibility system builds; considering cost allocation rules for when systems serve multiple programs and estimating the SNAP share; and adding fixed costs for the system build that would be spread across programs. The team estimated costs for other data systems would be approximately 25 percent of the costs of the eligibility system.

Costs incurred repeatedly are ongoing costs, which can be fixed or variable (e.g., costs that vary by caseload size). The study team’s estimate includes costs of staff labor, system maintenance, and general program management. To estimate State agency-level operating costs, the study team used actual SNAP cost data for fiscal years 2017, 2018, and 2019 from State agencies with similar administrative models and caseload sizes to what is anticipated in Puerto Rico and adjusted those costs to account for Puerto Rico’s lower salary scale and annual inflation. Because Puerto Rico’s eligibility worker salaries are low compared with other States and other professions in Puerto Rico, the study team also simulated Puerto Rico’s costs assuming ADSEF salaries were increased. To estimate Federal-level administrative costs, the study team used a building up approach similar to the implementation cost analysis. The team estimated the number of additional staff FNS would require for administering SNAP in Puerto Rico and applied the relevant labor rates and inflation factor. FNS estimated a range of benefit costs based on the estimated caseload in Puerto Rico. The lower estimate assumes average benefit levels in Puerto Rico would be the same as the 48 States and the District of Columbia, and the higher estimate assumes average benefit levels on par with those of the Virgin Islands. The estimate of annual benefit costs in Puerto Rico presented in this report is the midpoint of this range.

Chapter 3. Puerto Rico’s History and Population

This chapter provides background on Puerto Rico’s history and population. Section A describes Puerto Rico’s history, current events, and the natural disasters that have shaped the island in recent years. Section B describes the demographic and economic characteristics of Puerto Rico’s population.

A. Historical Context and Current Events

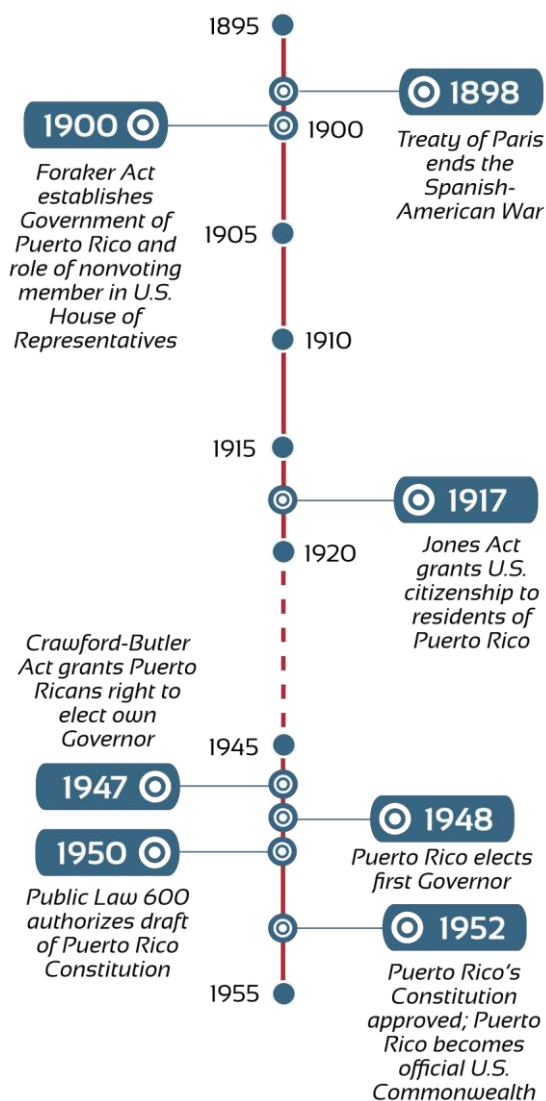
Federal policy, shifts in food production, and recent catastrophes all influence the need for nutrition assistance in Puerto Rico. This section describes historical context and current events that form a backdrop for that need.

1. Puerto Rico’s Relationship With the United States

As figure 3.1 illustrates, after nearly four centuries of control, Spain ceded sovereignty over Puerto Rico to the United States through the 1898 Treaty of Paris, which ended the Spanish-American War (U.S. Department of State, 2018). In 1900, the Foraker Act was ratified, establishing the Government in Puerto Rico mostly appointed by the President of the United States and providing for a nonvoting member of the U.S. House of Representatives. In 1917, the Jones Act granted U.S. citizenship to residents of Puerto Rico (Library of Congress, 2018). Although Puerto Rico’s Governor remained a presidential appointee, the Jones Act granted citizens of Puerto Rico the right to elect their own bicameral legislature.

Puerto Rico’s autonomy gradually increased over the years. In 1947, through the Crawford-Butler Act, Puerto Rico was granted the right to elect its own Governor, who would appoint a cabinet and Supreme Court (U.S. House of Representatives, n.d.b). Puerto Rico popularly elected its own government for the first time in 1948. In 1950, Public Law 600 authorized the legislature of Puerto Rico to organize a constitutional government and draft a constitution. The U.S. President, U.S. Congress, and Puerto Rico voters approved the island’s constitution in 1952, effectively changing Puerto Rico’s status from a U.S. territory to a commonwealth (U.S. House of Representatives, n.d.a). Congress has introduced several bills for Puerto Rico’s self-determination and/or statehood in recent years, such as the Puerto Rico Statehood Admission Act and the Puerto Rico Self-Determination Act of 2021, but none of these laws have been passed. Since 1967, Puerto Rico

Figure 3.1. Key Dates in Puerto Rico–U.S. Relations



has had six plebiscites to determine residents' interest in statehood, but none have led to any determination on the island's status (Cheatham, 2020).

As a commonwealth, Puerto Rico functions much like a U.S. State. It has its own popularly elected constitutional government, and its legal residents can travel freely within the United States and serve in the U.S. military. The Government of Puerto Rico has jurisdiction over its internal affairs (except where U.S. law takes precedent), collects taxes, and oversees local and Federal programs to support the economic growth, health, and well-being of its citizens (Webber, 2017). Residents of Puerto Rico are exempt from Federal income taxes but pay the Federal Insurance Contributions Act (FICA) tax, which funds Social Security and Medicare. Citizens of Puerto Rico do not have full voting representation in Congress, a full delegation to Congress, or Electoral College votes in Presidential elections. Accordingly, the U.S. Government has significant authority over policy decisions affecting the island, such as foreign trade policies, currency, citizenship, and Federal funding allocations, with limited representation from its citizens. Puerto Rico's status as a commonwealth has resulted in limited funding for Federal assistance programs, such as TANF, SNAP, and Medicaid. Compared with the States, Puerto Rico typically receives significantly less funding for these programs.

2. Agriculture

Until the 1950s, Puerto Rico's economy was centered on agriculture, and most food consumed in Puerto Rico was produced on the island. In the decades since, local, Federal, and global economic forces have eroded agriculture and local food production in Puerto Rico (Bram et al., 2008; Bridgman et al., 2012; Carro-Figueroa, 2002). As the island's economy became more industrialized in the mid-to-late 20th century, earnings increased, along with consumption of imported foods. The decline in local agriculture has continued: From 2012 to 2018, Puerto Rico saw a 37.5 percent decrease in the number of farms and a 16.6 percent decrease in land used for farming (Government of Puerto Rico Planning Board, 2021; USDA, 2020). In 2018, the value of imported foods was 10 times greater than local farm sales (USDA, 2020). The high dependency on food imports is a food security concern, particularly regarding the vulnerability of food imports during natural disasters.

3. Food Imports

The Jones Act still serves as law for the transportation of natural resources, food, and manufactured goods in the United States. The act requires that vessels carrying goods between the United States and Puerto Rico be built, owned, registered, and operated by U.S.-owned companies (Grabow et al., 2018) and prevents nonqualifying vessels, such as foreign cargo ships, from transporting goods between U.S. ports.

Since the act's passage in 1917, the cost of building U.S. vessels has increased, and land and air transportation has become more efficient and affordable. As a result, the U.S. maritime industry has declined: Only about 2 percent of U.S. freight overall was shipped by sea in 2017 (Grabow et al., 2018). In comparison, 98 percent of imports in Puerto Rico arrive by sea (John Dunham & Associates, 2019). While foreign vessels can, and do, transport goods to Puerto Rico directly, there is little economic incentive to do so compared with opportunities to ship to large U.S. ports. With few U.S. vessels remaining to deliver goods to Puerto Rico, researchers estimate the cost of shipping from the United States to Puerto Rico may be twice what it would be for foreign vessels (Yglesias, 2017). This requirement can contribute to higher prices for domestic goods.

4. Political Climate

Historically, politics in Puerto Rico have centered on three active political parties: the Partido Nuevo Progresista (PNP) or New Progressive Party, the Partido Popular Democrático (PPD) or Popular Democratic Party, and the Partido Independentista Puertorriqueño (PIP) or Independent Party. The PPD and PNP parties have been the primary drivers of policy on the island. The three major parties differ on multiple policy priorities, including the economy, public debt, and Puerto Rico's independence. The PIP, for instance, favors total independence, the PNP favors statehood, and the PPD advocates for enhanced commonwealth status. As of 2021, the Governor of Puerto Rico, Pedro Pierluisi, and the Resident Commissioner, Jenniffer González, both belong to the PNP.

Since 2006, Puerto Rico has faced an economic recession marked by high unemployment and public debt. As a commonwealth, Puerto Rico has few options for addressing public debt. In 2016, the Obama Administration signed the Puerto Rico Oversight, Management, and Economic Stability Act, which created the Financial Oversight and Management Board (FOMB; referred to as the Junta de Supervisión y Administración Financiera para Puerto Rico in Spanish) to address the economic crisis, restructure the island's debt, and foment economic growth. FOMB certifies fiscal plans and budgets, reviews contracts, and tracks compliance within agencies (FOMB, 2018). For instance, FOMB charged ADSEF with designing a work requirement for NAP beginning in FY 2020.

5. Recent Catastrophic Events

Puerto Rico's climate and geography make the island susceptible to natural disasters. Since 2017, Puerto Rico has experienced hurricanes, earthquakes, and the global COVID-19 pandemic.

a. Hurricanes Irma and Maria

In September 2017, Puerto Rico was hit by two major hurricanes that caused severe damage to the island. Hurricane Irma, a category 5 hurricane, caused substantial damage to the island and disrupted water and power services. The President issued a major disaster declaration as a result. Shortly afterward, Hurricane Maria, a category 4 hurricane, struck the island. This hurricane caused significant damage to roads, destroyed the electrical grid, disrupted communication and response operations, and limited access to food and water. In addition to the significant damage to the island's infrastructure, these natural disasters contributed to economic challenges that made recovery difficult, including higher unemployment rates and increased need for public assistance (RAND Corporation, n.d.). The hurricanes destroyed much of what little agriculture was left on the island. After Hurricane Maria, the proportion of food that was imported increased from 85 to 95 percent (Bascomb, 2018).

b. Earthquakes

From December 2019 to January 2020, more than 500 earthquakes were recorded in Puerto Rico, including a 6.4 magnitude earthquake. The earthquakes further compromised Puerto Rico's infrastructure, causing severe damage to the electrical grid even as residents continued to rebuild after the devastation of Hurricane Maria (Kim, 2020). The earthquakes also revealed significant infrastructure concerns on the island. Following one 5.9 magnitude aftershock, schools were closed for inspection, and many have remained closed for not meeting earthquake building codes (Jimenez, 2020). Similarly, several of ADSEF's local offices were condemned and permanently closed.

c. COVID-19 Pandemic

Still recovering from the hurricanes and earthquakes, the global COVID-19 pandemic further weakened Puerto Rico’s economy. Public health measures instituted in March 2020 established a mandatory lockdown that halted economic growth, putting many small and local businesses at risk and stopping tourism. The Government of Puerto Rico estimates about 80,000 jobs were lost between March and June 2020 because of the pandemic (ADSEF, 2020), and the island’s economy suffered from reduced travel and tourist activity well into 2021.

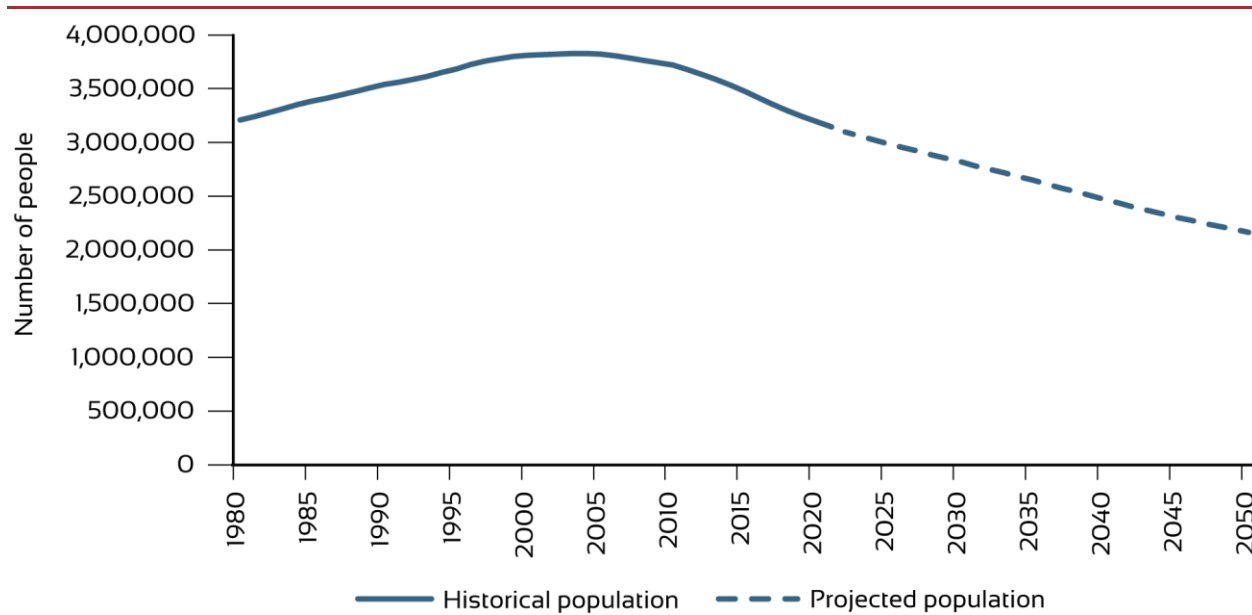
B. Characteristics of the Population

Puerto Rico’s population trends, demographic characteristics, and economic characteristics differ from those of the States and play key roles in defining the need for nutrition assistance.

1. Population Trends

As of 2021, Puerto Rico has 3.3 million residents—comparable to the population of Nevada or Utah (U.S. Department of Commerce & U.S. Census Bureau, 2021)—but with a population density about 10 times the U.S. average (ADSEF, n.d.; Trading Economics, 2021). Puerto Rico’s population is declining. From 2010 to 2020, Puerto Rico’s population decreased 11.8 percent, while the U.S. population overall increased 7.4 percent. The Census Bureau projects Puerto Rico’s population will decrease to 3 million by 2025 and then to 2.1 million by 2050 (U.S. Census Bureau, 2021). See figure 3.2.

Figure 3.2. Historical and Projected Population Trends in Puerto Rico, 1980–2050



Source: U.S. Census Bureau, 2021; population estimates provided for 1980–2021, population projections for 2022–2050

Puerto Rico’s population decline is largely attributed to low birth rates and outmigration. Puerto Rico has the lowest fertility rate (33.1 per 1,000 women) of all U.S. States, the District of Columbia, Guam, and the Northern Mariana Islands (Centers for Disease Control and Prevention, 2019). The birth rate (6.4 per 1,000 residents) is also lower than any State’s and represents a threefold reduction since 1990

(Departamento de Salud, 2019). Puerto Rico's poor economy has led many residents to leave the island to seek economic stability in the U.S. mainland, particularly after Hurricane Maria. Many emigrating residents were children, adults of working age, or well-educated adults (Velázquez-Estrada, 2019).

2. Demographic Characteristics

Compared with the total U.S. population, Puerto Rico's population is older, has higher rates of disability, and has slightly lower levels of education. All estimates in this section are from the American Community Survey 1-year or 5-year estimates for the United States and Puerto Rico unless otherwise noted (U.S. Census Bureau, 2019a, 2019b).

Age. Puerto Rico has an aging population. In 2019, the median age in Puerto Rico was 43.1 years, compared with 38.5 years in the United States overall. Fewer than one-fifth of the population of Puerto Rico are children younger than 18 (17.9 percent), compared with 22.3 percent of the total U.S. population. The reverse is true for older adults: 21.3 percent of Puerto Ricans are aged 65 and older, compared with 16.5 percent of the population nationwide.

Disability. From 2015 to 2019, a greater proportion of Puerto Rico residents younger than 65 had disabilities than in the United States overall (14.9 versus 8.6 percent, respectively). Among residents of all ages, 21.6 percent of Puerto Ricans reported a disability in 2019, which was significantly higher than 12.7 percent among U.S. mainland residents.

Educational attainment. Puerto Rico lags the U.S. mainland in educational attainment. In 2019, 78.8 percent of residents aged 25 and older had a high school diploma or higher, compared with 88.6 percent of those in the U.S. mainland. Just over one-quarter of Puerto Rico residents had a bachelor's degree or higher (27.2 percent), compared with 33.1 percent on the U.S. mainland. For Puerto Rico residents who do pursue postsecondary education, many have migrated to the United States for better economic opportunities: In 2017, 57 percent of those who emigrated from Puerto Rico were adults aged 25 or older with postsecondary education (Velázquez-Estrada, 2019).

Family type. In 2019, Puerto Rico had a greater proportion of female-headed families with children than the U.S. mainland (31.0 versus 16.4 percent). Fewer than half of families in Puerto Rico were married-couple families with children (45.4 percent) compared with almost 60 percent of families in the U.S. mainland.

Average household size. Puerto Rico's average household size is similar to that of U.S. households (2.7 and 2.6 persons, respectively).

3. Labor Force Participation and Employment

Puerto Rico's civilian labor force participation (i.e., the number of adults working or seeking work) has decreased since 2007, in the aftermath of the 2006 recession. With the occurrence of multiple natural disasters and the COVID-19 pandemic, the labor force has continued to shrink, with nearly 300,000 fewer adults participating in 2021 than in 2005 (U.S. Bureau of Labor Statistics, 2021a). In 2015–2019, 44.3 percent of adults in Puerto Rico participated in the labor force, considerably less than the 62.9 percent of adults in the United States overall. For comparison, Puerto Rico's labor force participation rate is 12.7 percentage points lower than that of the poorest State, Mississippi (U.S. Census Bureau, 2020a, 2020b).

In the years following the 2006 recession, unemployment rates increased to greater than 15 percent; a rate that was maintained from 2009 to 2012 (see figure 3.3). Since then, unemployment has slowly declined, but as noted above, the number of adults seeking jobs has also declined. Puerto Rico’s seasonally adjusted unemployment rate for March 2021 was 8.8 percent, higher than the overall U.S. unemployment rate of 6 percent (U.S. Bureau of Labor Statistics, 2021b). This was higher than the unemployment rate for every State except Hawaii, which had 9 percent unemployment.

Figure 3.3. Puerto Rico Unemployment Rate, 2005–2021



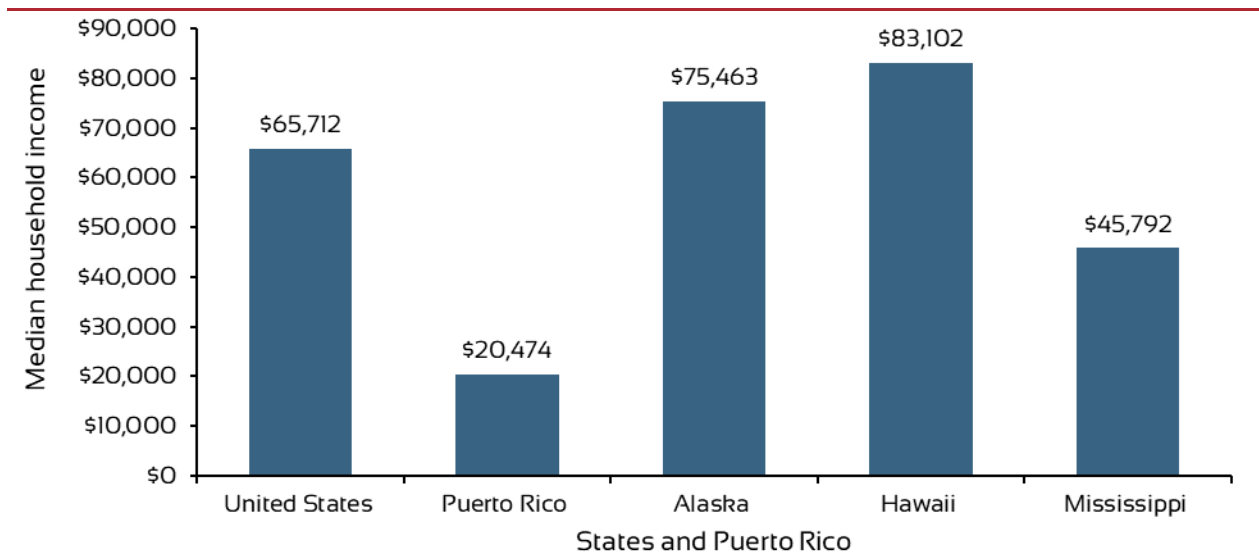
Source: U.S. Bureau of Labor Statistics, 2021a

4. Household Income and Poverty

Puerto Rico households have significantly lower incomes than those in the United States. In 2019, the median household income in Puerto Rico was \$20,474, while in the United States the median household income was \$65,712. Puerto Rico’s median household income is about one-quarter the median incomes in Hawaii and Alaska (figure 3.4), which also rely heavily on imported foods and goods, and less than half that of the poorest U.S. State, Mississippi (\$45,792) (Guzman, 2020).

In 2019, approximately 43.5 percent of people in Puerto Rico lived in poverty, more than 3 times the rate in the United States (12.3 percent). The proportion of people living in poverty in Puerto Rico was more than twice that of the poorest State, Mississippi (43.5 versus 19.6 percent, respectively).

Figure 3.4. Median Household Income in the United States, Puerto Rico, and Selected States, 2019



Source: Guzman, 2020

5. Cost of Living

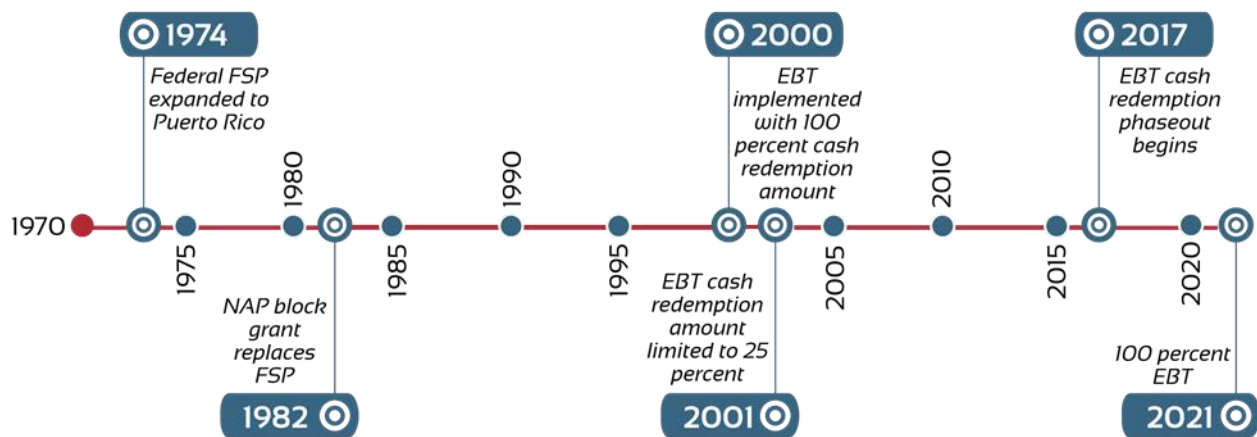
The Council for Community and Economic Research (C2ER) calculates the Cost of Living Index, which provides city-to-city cost comparisons at a point in time. In 2014, C2ER reported the cost of living in the San Juan-Carolina-Caguas metropolitan statistical area in Puerto Rico was 13 percent higher than the U.S. average (Hirschfeld, 2014). Price differences vary by the type of commodity:

- ▶ **Utilities.** Utilities (i.e., water, electricity) in Puerto Rico cost significantly more than in the overall United States. C2ER estimated the cost of utilities in 2021 in the San Juan metropolitan area was 78 percent higher than the average U.S. city (Instituto de Estadísticas de Puerto Rico, 2021). If Puerto Rico were a State, it would have had the fifth highest electricity price in 2017 (U.S. Energy Information Administration, 2021).
- ▶ **Housing.** Housing in the San Juan metropolitan area was reported to be approximately 78 percent the cost of housing in the average U.S. city in 2021 (Instituto de Estadísticas de Puerto Rico, 2021).
- ▶ **Transportation.** Transportation costs in the San Juan metropolitan area were comparable to costs in the average U.S. city in 2021 (Instituto de Estadísticas de Puerto Rico, 2021).
- ▶ **Food costs.** In 2014, C2ER reported grocery prices in the San Juan metropolitan area were about 23 percent higher than other U.S. cities on average (Hirschfeld, 2014). This disparity has remained steady over the years; in 2021, grocery items in the San Juan metropolitan area were 20.6 percent more expensive than the average U.S. city (Instituto de Estadísticas de Puerto Rico, 2021).

Chapter 4. Nutrition Assistance and Other Safety Net Programs in Puerto Rico

FNS-funded nutrition assistance in Puerto Rico has changed substantially since its initial implementation in 1974, evolving from a coupon-based entitlement program to the current block grant program delivered through an EBT system (see figure 4.1). For 8 years, Puerto Rico was part of the Federal Food Stamp Program (FSP). In July 1982, Congress replaced Puerto Rico’s FSP with an annual block grant to provide food assistance through NAP. NAP benefits were initially distributed through paper checks redeemed for cash intended for food purchases, creating a 100 percent cash program. In 2001, Puerto Rico implemented EBT and allowed participants to withdraw up to 25 percent of their benefit as cash to purchase eligible foods at retailers that could not accept EBT. In 2015, Congress directed Puerto Rico to phase out the 25 percent cash benefit, and since the beginning of FY 2021, all benefits have been redeemed using EBT cards at authorized NAP retailers.

Figure 4.1. History of Nutrition Assistance in Puerto Rico



Note: EBT = electronic benefit transfer; FSP = Food Stamp Program

As of 2021, Puerto Rico’s ADSEF administers NAP through 10 ADSEF regional offices and 89 ADSEF local offices. In FY 2021, Federal funding for NAP was approximately \$2.0 billion, and NAP served more than 1.5 million individuals with low incomes.¹⁷ The Federal block grant covers all NAP food benefits and 50 percent of administrative costs, with Puerto Rico covering the remaining administrative expenses.

This chapter describes the history of nutrition assistance in Puerto Rico (sections A and B), changes to both NAP and SNAP since Puerto Rico moved to the block grant (section C), the provision of additional nutrition assistance after natural disasters and during the COVID-19 pandemic in Puerto Rico (section D), and a brief snapshot of other safety net programs available to support individuals and families with low incomes in Puerto Rico (section E).

¹⁷ The Puerto Rico NAP block grant was increased by 23 percent in FY 2022 to match similar increases in SNAP benefit amounts that went into effect for FY 2022 driven by the new Thrifty Food Plan. See chapter 6 for additional details on the new Thrifty Food Plan.

A. Food Stamp Program

Puerto Rico began receiving Federal nutrition assistance from the United States in November 1974 upon passage of the Agriculture and Consumer Protection Act of 1973,^{18,19} which expanded FSP to Puerto Rico and other territories (Congressional Budget Office, 1977). FSP was an entitlement program, with all eligible persons receiving paper coupons that could be redeemed for food. Program participants received an “authorization to participate” card in the mail each month, which was then exchanged for paper coupons at local government offices throughout the island (USDA, 1983). The paper coupons could be redeemed only for eligible food items from certified food retailers (USDA, 1983).

B. Transition to and Impact of NAP

Beginning in July 1982, Congress replaced Puerto Rico’s FSP with an annual block grant to provide food assistance for needy persons through NAP.²⁰ This step was taken in part to control nutrition assistance costs in Puerto Rico. Initially, \$825 million was made available, representing approximately 75 percent of projected annual FSP costs for FY 1982 (Mathematica Policy Research [MPR], 1985). For the first 5 years, funding for the block grant was capped at the original amount of \$825 million (U.S. Government Accountability Office [GAO], 1992). NAP administrative expenses were shared equally by Puerto Rico and the Federal Government.

The transition from the FSP entitlement program to the NAP block grant in 1982 gave Puerto Rico more flexibility in administering nutrition assistance by shifting many administrative and decision-making responsibilities from the Federal Government to Puerto Rico. When first implemented, Puerto Rico replaced the FSP coupon system with checks that could be redeemed for cash to reduce administrative costs and simplify program operations. Participants received a paper check in the mail every month that could be cashed at any food retailer, check cashing business, bank, or other financial institution (Phoenix Planning & Evaluation, 1995).

The former FSP income eligibility limits and benefit levels were reduced under NAP to bring program costs in line with the reduced funding level of the block grant. Households with incomes of more than 85 percent of the Federal Poverty Guidelines (in July 1982) became ineligible, and benefit levels were reduced. The maximum NAP benefit for a household of four was \$199, compared with the previous maximum of \$221 under FSP (MPR, 1985).

Puerto Rico has continued to use the flexibilities allowed by the block grant structure to target benefits in specific ways. For example, NAP regulations provide additional income deductions and benefits for older adults, in part to compensate for the lack of Supplemental Security Income (SSI) on the island. Similarly, postsecondary students are not required to meet special eligibility requirements as they are under SNAP.

While disaster relief funding has allowed for an upward adjustment of NAP net income eligibility since FY 2019 to be comparable with SNAP net income limits for some household sizes, maximum benefit levels have remained lower than SNAP. Table 4.1 shows the net income limits and maximum benefit for

¹⁸ Pub. L. 91–671 (passed January 11, 1971); Agriculture and Consumer Protection Act of 1973, Pub. L. 93–86 (passed August 10, 1973), extended SNAP (then known as FSP) to U.S. territories of Puerto Rico, Guam, and Virgin Islands

¹⁹ Though FSP was operational in Puerto Rico November 1, 1974, Puerto Rico was not granted full coverage until a few years later, following the Food Stamp Act of 1977 (Pub. L. 95–113).

²⁰ The Omnibus Budget Reconciliation Act of 1981, Pub. L. 97–35; later extended through Pub. L. 98–204

a family of three under NAP and SNAP in FY 2021. The net income limit for a family of three is slightly lower for NAP than SNAP, but smaller households see a greater disparity in net income limits: A single-person household in Puerto Rico must have a net income of \$619 compared with \$1,064 for SNAP. Alternatively, larger households (of four or more) had higher net income limits for NAP than SNAP.

Excluding adjustments to NAP and SNAP benefits resulting from COVID-19, the maximum NAP benefit in FY 2021 was 59 percent of the maximum SNAP benefit; this trend was similar for all household sizes. Older adults receive an additional 20 percent of the maximum NAP benefit for a one-person household. NAP monthly benefits may also be increased over the maximum benefit level using a monthly adjustment factor that redistributes unused funds across participating households. The monthly adjustment includes funds not allocated in the previous month and funds expunged because of nonuse.

Table 4.1. Monthly Net Income Limits and Maximum Benefits for a Household of Three in FY 2021, NAP and SNAP

	NAP	SNAP
Net income limit	\$1,706	\$1,810
Maximum benefit	\$315 ^a	\$535

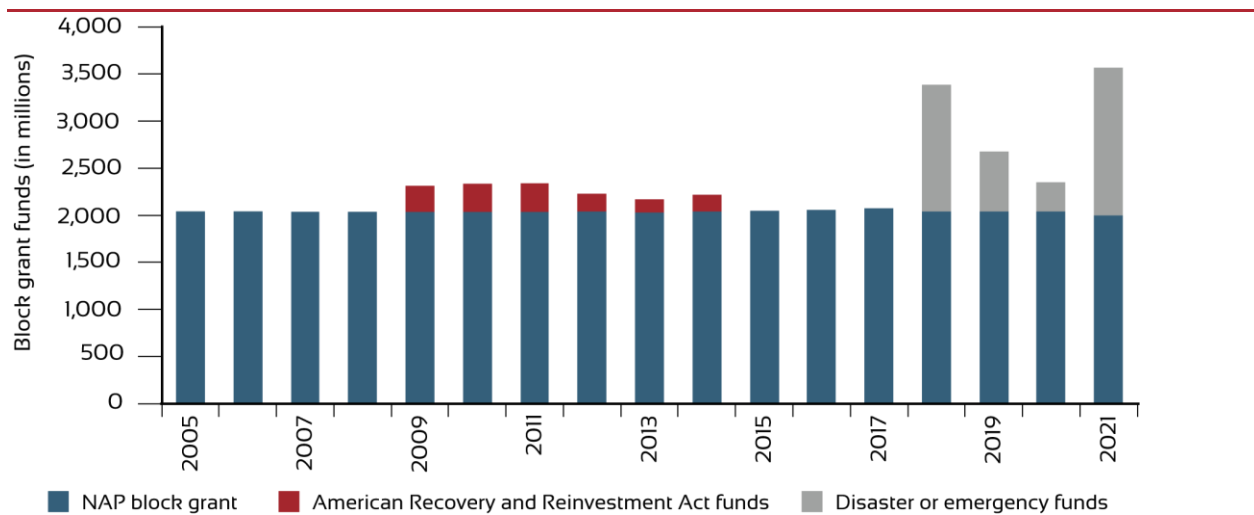
Note: Amounts in this table exclude COVID-19 relief funding.

^a Under NAP, additional available funds are distributed to program participants in a “monthly adjustment.” The monthly adjustment can increase the maximum benefit but is not guaranteed.

Source: L. Leduc, personal communication, June 28, 2021

Block grant funding for NAP has remained relatively flat with only annual increases to account for inflation. Congress has granted NAP significant additional funding in recent years to help counteract the economic recession (American Recovery and Reinvestment Act funds), the recent natural disasters, and the COVID-19 pandemic (see figure 4.2). Puerto Rico’s FY 2021 block grant was approximately \$2.0 billion, covering all participant benefits and the Federal Government’s share of administrative costs. Puerto Rico also contributed \$40 million to cover 50 percent of the program’s administrative costs (ADSEF, 2020). Approximately 96 percent of the block grant funds (\$1.97 billion) were allocated for benefits to participants, with the remainder for program administration.

Figure 4.2. Puerto Rico NAP Funding by Fiscal Year



Note: In 2021 dollars; adjusted for annual inflation using June Thrifty Food Plan of preceding fiscal year

Sources: USDA, FNS (2020b); Keith-Jennings (2020) and B. Keith-Jennings, personal communication, September 14, 2021; analysis of annual USDA Office of Budget and Program Analysis's Budget Explanatory notes, annual State and disaster plans, and legislative text

C. Recent Changes to NAP and SNAP

Since 1982, NAP and SNAP have undergone several changes to modernize operations while ensuring participants can use their benefits to purchase nutritious meals.

1. NAP

Transition to EBT and phaseout of cash redemption. In October 2000, Puerto Rico transitioned from paper checks to an EBT card system. This initial phase of EBT allowed NAP participants to withdraw up to 100 percent of their benefit dollars as cash (ADSEF, 2001a). There were no restrictions on the cash withdrawals until 2001, when ADSEF required at least 75 percent of NAP benefits be redeemed using the EBT card at certified retailers' point-of-sale (POS) devices. The remainder of participants' NAP benefits, up to 25 percent, was designated as "nontargeted benefits" that could be withdrawn as cash (ADSEF, 2001b). The Agricultural Act of 2014 required Puerto Rico to phase out the 25 percent "nontargeted benefits." This was accomplished by reducing funds available for cash withdrawal by 5 percentage points per year beginning in FY 2017. By FY 2021, all benefits were restricted to EBT purchases for food at authorized NAP retailers.

While cash redemption and paper checks were initially implemented to reduce administrative costs, implementation of EBT and phaseout of the cash redemption system was not accompanied by an increase in block grant funding to account for any administrative cost increases.

Mercados Familiares (Family Markets). One feature unique to Puerto Rico's NAP is the use of Family Markets. Family Markets are farmers markets where NAP participants can use their program benefits. Family Markets encourage the purchase and consumption of healthy, locally produced agriculture and provide an economic boost to local farmers. Family Markets were approved by FNS and implemented permanently in 2016.

Unlike SNAP use at farmers' markets, ADSEF designates up to 4 percent of benefits issued on top of the base benefit for exclusive use in Family Markets for participants residing in regions with Family Markets. The Administración para el Desarrollo Empresarial Agropecuario (ADEA, Administration of Agricultural Business Development) of the Departamento de Agricultura de Puerto Rico (Puerto Rico Department of Agriculture) authorizes farmers and promotes the markets to NAP participants. Costs associated with administering the Family Markets are equally shared between ADEA and ADSEF (ADSEF, 2020).

2. SNAP

Since the 1980s, SNAP policy and operations have evolved considerably from the Food Stamp Program in which Puerto Rico participated (USDA FNS, 2018a).

- ▶ 1987: All State agencies required to implement a SNAP E&T program.
- ▶ 1988-1990: Nutrition education grants authorized; EBT established as alternative to paper food stamps; State agencies required to develop D-SNAP Plan.
- ▶ 1992: Seven State agencies are the first to implement nutrition education State plans.

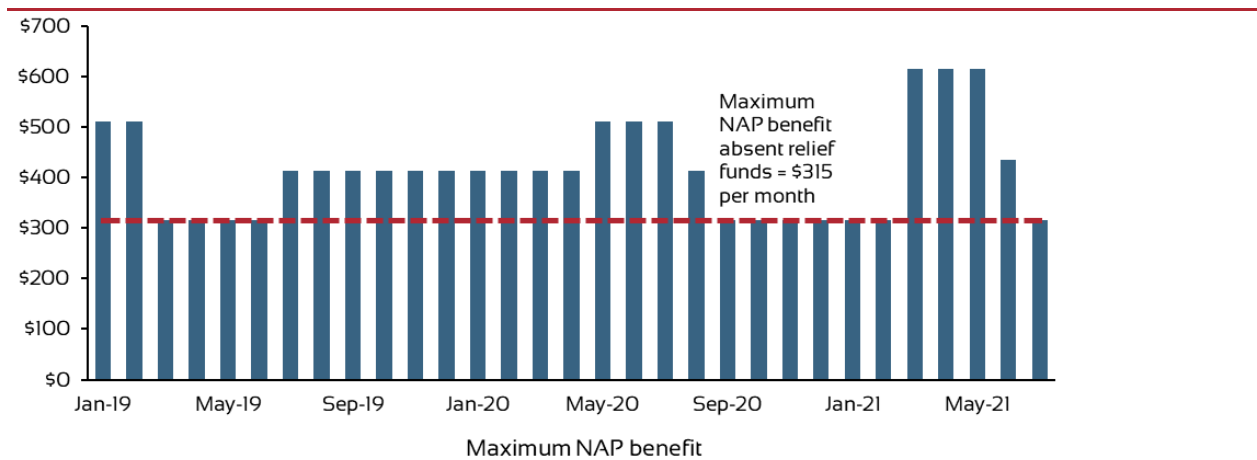
- ▶ 1996: Time limit for ABAWDs implemented; State agencies mandated to implement EBT by 2002.
- ▶ 2002: SNAP QC system reformed.
- ▶ 2004: All State agencies implemented EBT.
- ▶ 2008: Food Stamp Program name changed to SNAP; State agencies required to test data systems automation as a condition of Federal funding.
- ▶ 2009: American Recovery & Reinvestment Act increases benefits and provides \$300 million to support State agency administration.
- ▶ 2010: SNAP-Ed shifts to grant funding with no State contribution, focuses on obesity prevention and evidence-based practices.
- ▶ 2014: SNAP QC and fraud prevention measures enhanced; SNAP E&T monitoring and oversight enhanced; retailers required to pay for EBT equipment and enforce sales restrictions by using scanner technology.

State agencies have also worked to modernize and streamline approaches to service delivery over the past several decades. Since 2000, State agencies have engaged in a variety of activities to streamline intake and eligibility determination, including restructuring administrative functions to improve efficiency, expanding the use of technology (e.g., workload management tools, electronic case records, online applications and accounts), partnering with other organizations to improve access to services, and simplifying SNAP procedures (e.g., interview waivers, streamlined applications and documentation requirements, lengthened certification periods) (Hulsey et al., 2013). During this time, State agencies have developed and maintained integrated SNAP data systems that have become a key component of program operations, adaptable to changes in Federal directives and guidance.

D. Nutrition Assistance After Natural Disasters and the COVID-19 Pandemic

Because it is a capped block grant, NAP does not automatically expand when the economy contracts or a natural disaster strikes. Instead, Federal legislation is required to expand nutrition assistance to respond to such sudden and immediate needs. The timing and varying amounts of relief funding have resulted in frequent changes to maximum NAP benefit levels in recent years (see figure 4.3).

Figure 4.3. Maximum NAP Monthly Benefit for a Family of Three, January 2019 to July 2021



Source: L. Leduc, personal communication, June 29, 2021

The pieces of Federal legislation that have driven benefit changes in recent years follow:

- ▶ In October 2017, Congress approved \$1.3 billion in additional NAP funding to support households affected by Hurricanes Irma and Maria. NAP used these funds to raise income limits and increase maximum benefits. For example, the monthly net income limit for a family of three was raised from \$599 to \$1,706, and the maximum monthly benefit was raised from \$315 to \$511. USDA approved the use of the NAP relief funds in February 2018, and benefits were sustained at the higher levels until funding ended in March 2019. While maximum monthly benefits declined to prerelief levels after March 2019, NAP maintained the increased net income threshold (Keith-Jennings, 2020).
- ▶ In June 2019, Pub. L. 116–20 provided an additional \$600 million in NAP funding to address the consequences of the hurricanes. These funds were used to provide an additional monthly supplement for NAP participants. For instance, a family of three received an additional monthly supplement of \$98 on top of the maximum base benefit (\$315). This supplemental nutrition assistance began in July 2019 and ran through April 2020 (Keith-Jennings, 2020; Puerto Rico Federal Affairs Administration, 2020).
- ▶ To address the economic shocks from the COVID-19 pandemic, Congress approved two funding increases for NAP. The Families First Coronavirus Response Act (FFCRA, Pub. L. 116–127) granted NAP \$99 million in supplemental funding. The Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. 116–136) provided an additional \$197 million. These funds were used to increase the maximum benefit for a 3-month period, from May to July 2020. The maximum benefit for a family of three was increased again to \$511 per month (Puerto Rico Federal Affairs Administration, 2020).
- ▶ Additional funding has been obligated to the NAP block grants to continue to support families with low incomes throughout the pandemic. In December 2020, the Consolidated Appropriations Act, 2021, Division N, Title VII (Pub. L. 116–260) allocated an additional \$614 million, and in March 2021, the American Rescue Plan Act of 2021, Title I (Pub. L. 117-2) awarded another \$1 billion to the NAP programs combined (Congressional Research Service, 2021b). These funding increases have been used to increase maximum NAP benefit levels. A family of three saw an increase of \$300 for a \$615 maximum benefit per month from March to May 2021. In June 2021, the increase in the maximum benefit was reduced, and the same family of three could receive a \$435 maximum monthly benefit.

In addition to the NAP block grant relief funds, the Continuing Appropriations Act in October 2020 permitted Puerto Rico to operate Pandemic EBT (P-EBT), which had been limited to SNAP agencies in the Families First Coronavirus Response Act. P-EBT funds were intended to replace meals school-aged children and children younger than 6 might miss as a result of school and daycare closures. Approved by FNS in January 2021, Puerto Rico's P-EBT plan provided nearly \$120 per child per month to families with low incomes from August 2020 through May 2021, at an estimated cost of \$391 million. FNS approved \$181 million in additional funding for P-EBT for the summer in May 2021.

E. Other Federal Programs

While a recent court case (*Peña Martínez versus U.S. Department of Health and Human Services [HHS]*) has challenged Puerto Rico’s exclusion from some public assistance programs,²¹ including SNAP, residents of Puerto Rico are eligible for many of the same Federal programs as residents in the mainland United States. Funding for many of these programs, particularly those that assist individuals with low incomes, is more limited in Puerto Rico than in the United States. This section highlights differences in Federal assistance for supporting families with low incomes in Puerto Rico and the States.

Federal funding for cash assistance programs in Puerto Rico is capped at \$107 million, per Section 1108 of the Social Security Act (Congressional Research Service, 2016). These cash assistance programs include the TANF program and the Aid to the Aged, Blind, or Disabled (AABD) program, which are administered under a single TANF program in Puerto Rico, as described below:

- ▶ **TANF** is a Federal block grant program that provides cash assistance to help families with low incomes meet basic needs. States have significant flexibility in how grant funding is used to support families in becoming self-sufficient, including determining eligibility rules, the type and amount of assistance payments provided, and other services provided to beneficiaries. TANF allocations are set in legislation—the basic block grant for Puerto Rico is capped at \$71.6 million. In 2016, Puerto Rico provided an average monthly benefit of \$208 to “regular TANF” households (i.e., those with children younger than 18; Congressional Research Service, 2021a).
- ▶ **AABD** is a Federal block grant program first authorized in 1962 that requires State matching funds and provides cash benefits to individuals who are elderly, blind, or have disabilities and have limited assets and income. In 1972, SSI was created to replace the AABD program in the States (but not in Puerto Rico), creating an entitlement program administered by the Federal Government and eliminating State matching requirements. In FY 2015, the AABD monthly cash benefit in Puerto Rico averaged \$75 per person, while nationally the SSI average benefit amount was \$551 (Congressional Research Service, 2016). A GAO report estimated that Federal funding for SSI in Puerto Rico in 2011 would have ranged from \$1.5 to 1.8 billion, compared with about \$2 million in AABD funding (U.S. GAO, 2014).

Puerto Rico participates in many noncash assistance programs for individuals with low incomes and receives less in Federal funding than the States for some of these programs.

- ▶ **Earned Income Tax Credit (EITC)**. The EITC offers a refundable tax credit to working individuals filing income taxes in the United States whose income is below an established level. The national average EITC claimed in 2020 was \$2,461 per family (Internal Revenue Service [IRS], 2021). Because residents of Puerto Rico do not pay personal income taxes²² to the Federal Government, they are not eligible for the EITC. The Government of Puerto Rico established a local EITC in its 2019 tax law. The maximum credit is \$2,000 per family, significantly less than the \$6,660 maximum in the States (Puerto Rico Fiscal Agency and Financial Advisory Authority, n.d.). EITC credits in Puerto Rico are likely to increase starting in 2022. The American Rescue Plan Act

²¹ *Peña Martínez versus U.S. Department of Health and Human Services*, 2020 WL 4437859 (D.P.R. Aug. 3, 2020), asserted that residents of Puerto Rico are denied equal protection under the 5th Amendment’s due process clause when excluded from SNAP, Social Security Income, and the Medicare Part D Low-Income Subsidy program. The case was decided August 3, 2020, by the First Circuit in the District of Puerto Rico in favor of the plaintiffs (*Peña Martínez et al.*); the Supreme Court agreed to review the lower court’s decision and arguments were heard in November 2021.

²² Residents of Puerto Rico pay FICA tax, which funds Medicare and Social Security.

of 2021 allocated Federal funding for EITC in Puerto Rico for the first time in the amount of \$600 million beginning in 2022 and adjusted for inflation thereafter (Balmaceda, 2021).

- ▶ **Medicaid.** The Federal Government is authorized to spend as much money as States will match (in amounts determined under a Federal formula) to finance healthcare coverage for individuals with low incomes. Puerto Rico, however, receives a limited capped amount of matched Medicaid funding. As a result, projected FY 2020 per-enrollee Medicaid benefits in Puerto Rico are \$2,144 compared with \$6,763 (median) in the United States (Solomon, 2019).
- ▶ **Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).** WIC, which provides grants for supplemental foods, healthcare referrals, and nutrition education for women, infants, and children at nutritional risk, is administered by 89 State agencies, one of which is Puerto Rico, and the program dollars are not capped. Per-participant spending for WIC is higher in Puerto Rico compared with the United States because WIC provides a set package of foods, not a set dollar amount. Average monthly food costs in FY 2019 were \$97.94 per participant in Puerto Rico compared with \$38.23 per participant nationally. Administrative and nutrition services costs were also slightly higher in Puerto Rico, at \$322 per participant, compared with \$310 for the United States (USDA FNS, 2021g).
- ▶ **Child Nutrition Programs.** Puerto Rico receives funding for the National School Lunch, National School Breakfast, Summer Food Service, and Child and Adult Care Food Programs. As for the States, funding for these programs is not capped. One way to compare funding for these programs is to compare dollars provided to Puerto Rico and the States per child living in poverty. Combined, cash and commodity payments to Puerto Rico for school lunch and breakfast totaled \$135 million in FY 2019, or \$418 per child in poverty. This is significantly lower than the \$1,562 spent in the United States for each child in poverty. Spending on the Summer Food Service Program amounted to about \$22 per child in poverty in Puerto Rico and \$35 per child in the United States overall (Annie E. Casey Foundation, 2020; USDA FNS, 2021b).
- ▶ **Head Start.** Head Start is a Federal program that promotes school readiness for young children in families with low incomes. As for the States, funding for Head Start in Puerto Rico is not capped. In Puerto Rico, FY 2019 spending on Head Start was \$952 per child in poverty, compared with \$717 per child in poverty in the United States (HHS Administration for Children and Families, 2021).
- ▶ **Older Adult Nutrition Programs.** These nutrition programs, administered by the Administration for Community Living, provide grants to States to fund home-delivered meals and meals served in group settings, such as senior centers, for adults older than 60 in the greatest social and economic need. Funding for these programs is based on the number of people older than 60 in the State or territory. In 2019, the latest year for which data are available, 7,510 older adults received home-delivered meals and 7,436 were served congregate meals (HHS Administration for Community Living, n.d.).

Chapter 5. Legislative and Regulatory Changes

This chapter provides a description of the legislative and regulatory changes the U.S. Congress, USDA, the Asamblea Legislativa de Puerto Rico (Legislative Assembly of Puerto Rico), and Government of Puerto Rico agencies would need to make to operate SNAP in Puerto Rico. Section A provides information on the minimum legislative actions required of Congress, section B describes additional actions Congress could consider to ease the transition from NAP to SNAP, and section C identifies actions required of the Legislative Assembly of Puerto Rico. Section D discusses the needed Federal regulatory changes, and section E describes regulations Puerto Rico would need to develop to implement SNAP.

Legislative and Regulatory Changes: Key Findings

- **The U.S. Congress** would need to modify U.S. statutes and provide authority to operate SNAP in Puerto Rico.
- **The U.S. Congress** could consider other legislative actions to ease SNAP implementation in Puerto Rico or lessen the potential impact on other States and territories.
- **The U.S. Congress** could consider providing additional NAP funding to make the program more similar to SNAP during the transition period.
- **The Legislative Assembly for Puerto Rico** would need to pass legislation replacing any language governing NAP with new legislative text providing statutory authority governing the operation of SNAP in Puerto Rico.
- **USDA and the Commonwealth of Puerto Rico** would need to publish regulations to codify statutory changes and provide additional specificity related to the requirements for operating SNAP in Puerto Rico.

A. Federal Legislative Actions

The Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97–35) removed Puerto Rico from the Food Stamp Program and initiated the NAP block grant as a replacement. A transition from NAP to SNAP in Puerto Rico would hinge on Federal legislative action; specifically, the U.S. Congress would need to modify U.S. statutes and provide legislative authority to operate SNAP in Puerto Rico. The primary statute the U.S. Congress would need to amend is the Food and Nutrition Act of 2008, which generally governs the operation of SNAP and the NAP block grant for Puerto Rico. The sections Congress would need to consider revising follow:

- ▶ **Section 19**, to remove or modify authority to operate the Nutrition Assistance Program block grant in Puerto Rico
- ▶ **Section 3(r)**, to enable the Puerto Rico agency operating SNAP to be treated as a SNAP State agency
- ▶ **Section 3(u)**, to determine the basis for setting maximum benefit allotments in Puerto Rico for each household size; Congress could direct USDA to either (1) use the cost of the Thrifty Food Plan (TFP)²³ for the 48 States and the District of Columbia adjusted for Puerto Rico using

²³ The TFP is the cost of groceries needed to provide a healthy, budget-conscious diet for a family of four. SNAP benefit levels are generally updated each year based on the cost of the TFP. In 1977, Congress funded the development of separate TFPs for Alaska and Hawaii. Alaska is further broken down into three geographic areas, with food costs assessed separately in each, resulting in three different TFP cost models in Alaska. Separate market baskets for Guam and the Virgin Islands have not been developed. For those two territories, actual food costs are estimated but capped at the highest amount in the 50 States.

relevant economic data, as is done for other U.S. territories or (2) establish a new TFP that reflects a market basket of foods appropriate for Puerto Rico prices

- ▶ **Sections 5(c) and 5(e)**, to define SNAP eligibility guidelines for gross and net income limits and allowable income deductions for Puerto Rico. Congress could direct USDA to use the poverty thresholds in use for the 48 States and the District of Columbia or some other measure to calculate gross and net incomes. Similarly, Congress could direct USDA to use the standard deduction in effect in the 48 States and the District of Columbia; the different standard deductions in effect in Alaska, Hawaii, Guam, or the Virgin Islands; or some other amount.

B. Other Potential Federal Legislative Actions

In addition to granting Puerto Rico the authority to operate SNAP and pivoting from a block grant to an entitlement program, the U.S. Congress could consider several legislative actions to ease the implementation of SNAP in Puerto Rico and, in the case of the last two items, lessen potential impact on other States and territories:

- ▶ Designate a timeline that gives Puerto Rico adequate time to design, plan, and implement SNAP processes and data systems effectively.
- ▶ Provide administrative funding for Puerto Rico to engage in and carry out program design, planning, and implementation tasks (e.g., hiring and training new eligibility workers, pretesting materials) greater than the 50 percent Federal reimbursement for administrative costs that is standard for SNAP.
- ▶ Provide startup funding for Puerto Rico to develop and test SNAP data systems at a level greater than the 50 percent Federal reimbursement from FNS that is standard for SNAP.²⁴
- ▶ Reduce the degree to which people would lose food assistance benefits abruptly during the transition from NAP to SNAP. As described in chapter 6, NAP and SNAP have different eligibility parameters such that certain people receiving NAP benefits could lose eligibility or face significant, abrupt reductions in benefits during a change from NAP to SNAP. For example, those aged 60 or older benefit from income deductions and household composition rules in NAP that are not available in SNAP, and postsecondary students in NAP do not need to meet the special student eligibility requirements in place for SNAP. Congress could consider modifying such SNAP eligibility parameters in Puerto Rico or including other provisions to provide protection from abrupt benefit losses.
- ▶ Allow for a geographically staggered rollout of SNAP in Puerto Rico, during which the State agency could test new systems and make real-time updates to improve accuracy and maintain program integrity. A geographically staggered rollout would also require that Puerto Rico be granted the authority to operate NAP and SNAP concurrently until the SNAP rollout is completed throughout the island. However, this type of rollout could result in disparate impact to subgroups within the population of Puerto Rico (see chapter 5 of *Update to Feasibility Study of Implementing SNAP in Puerto Rico: Implementation Plan* [Thorn et al., 2022]).
- ▶ Provide a Quality Control (QC) “grace period” of up to 3 years after SNAP is rolled out across the island. During this grace period, Puerto Rico would participate in all QC processes, but FNS

²⁴ The Centers for Medicare & Medicaid Services reimbursed 90 percent of State costs to update or replace data systems to accommodate the revised eligibility rules of the Affordable Care Act.

would not assess liability amounts based on payment error rates. Such a grace period would give Puerto Rico time to work out all aspects of SNAP.

- ▶ Provide specific statutory authority for Puerto Rico to maintain a Family Markets program under SNAP. As described in chapter 4, Puerto Rico designates a portion of NAP benefits for exclusive use in Family Markets, which represent a joint initiative of ADSEF and the Puerto Rico Department of Agriculture aimed at increasing consumption of local foods and farming. If Congress does not provide such authority, Puerto Rico could request a SNAP demonstration project waiver from FNS to waive the statute and operate a version of a Family Markets program, but it is unclear at this time whether this type of demonstration project would be approved by FNS.
- ▶ Increase the allocation for SNAP E&T in section 16(h) of the Food and Nutrition Act of 2008 when Puerto Rico transitions to SNAP. The Federal Government provides formula-based funds (commonly referred to as 100 percent funds) to each SNAP State agency to carry out a SNAP E&T program based on the State agency's number of work registrants and ABAWDs, with a minimum allocation of \$100,000 to each State agency. The total amount of funding allocated each fiscal year for all SNAP State agencies is \$103.9 million. Adding SNAP E&T in Puerto Rico would constitute additional programming costs for these 100 percent funds. Congress could also consider increasing the allocation for ABAWD pledge funds in section 16(h)(1)(E) of the Food and Nutrition Act of 2008, which are limited to \$20 million per fiscal year for all ABAWD pledge State agencies, to accommodate the addition of SNAP in Puerto Rico.
- ▶ Increase the cap on SNAP-Ed grant funds for all SNAP State agencies when Puerto Rico transitions to SNAP. Unlike SNAP benefits, SNAP-Ed funding is provided as a capped grant to State agencies (see sections 18 and 28 of the Food and Nutrition Act of 2008). The Federal Government funds 100 percent of State agencies' SNAP-Ed administrative costs, but the total amount of funding for the program is capped each year by statute (approximately \$431 million in total for FY 2021). FNS uses a formula to allocate the funds to each SNAP State agency based on the State agency's overall SNAP participation and the size of its SNAP-Ed program (using prior years' SNAP-Ed expenses). Similar to SNAP E&T, adding SNAP-Ed in Puerto Rico would constitute additional programming costs to these capped funds.
- ▶ In addition to the above changes, Congress could begin to provide additional NAP funding during the transition period to make the program more similar to SNAP. This funding could be provided either through the NAP block grant or through other funding mechanisms and could be used for the following specific activities:
 - Implement work requirements, including developing systems for tracking and monitoring compliance.
 - Develop and operate an employment and training program that meets SNAP requirements.
 - Modify NAP eligibility criteria and benefit levels to reflect SNAP rules; this would require a more flexible funding structure in addition to increased funding.
 - Expand the NAP Nutrition Education Program to reflect SNAP-Ed activities and requirements.

C. Legislative Actions by the Commonwealth of Puerto Rico

The Legislative Assembly of Puerto Rico would need to pass legislation replacing any language governing NAP with new legislative text providing statutory authority governing the operation of SNAP in Puerto

Rico. The Governor of Puerto Rico would need to delegate SNAP administration to an appropriate agency, such as ADSEF, which is currently responsible for NAP. The Legislative Assembly would also need to approve the Department of the Family’s request for funds for SNAP implementation and administration each year. The legislature would need to work with the Puerto Rico FOMB to determine appropriations. The FOMB ensures appropriations are consistent with Puerto Rico’s financial plan.

The Legislative Assembly could also choose to codify certain SNAP policy options or other administrative choices for Puerto Rico. For example, many U.S. State legislatures have enacted legislation to countermand the Federal Government’s lifetime ban on SNAP participation for individuals convicted of drug-related crimes. Some State legislatures have allocated funding to “Double Up Food Bucks” programs that offer incentives to purchase locally grown fresh fruits and vegetables by increasing the value of SNAP benefits spent at farmers markets up to a certain limit (e.g., \$10).

D. Federal Regulatory Actions

After enactment of Federal statutory changes to implement SNAP in Puerto Rico, USDA would need to complete rulemaking to carry out those changes. Some provisions simply need to be codified in the regulations, but for other provisions, USDA may need to use its regulatory authority to determine specific program parameters. USDA regulations at 7 C.F.R. § 285 (Provision of a Nutrition Assistance Grant for the Commonwealth of Puerto Rico) include the general terms and conditions for the Puerto Rico NAP block grant, while 7 C.F.R. §§ 271–285 (subchapter C: Supplemental Nutrition Assistance and Food Distribution Program) define many SNAP policies directly relevant to Puerto Rico if it were to implement SNAP. USDA would need to make several changes to the regulations, including the following:

- ▶ Modify or remove the general terms and conditions for the NAP block grant at 7 C.F.R. § 285.
- ▶ Amend the definition of “State” in 7 C.F.R. § 271.2, so the Puerto Rico agency operating SNAP could be treated as a SNAP State agency.
- ▶ Detail the basis for setting maximum benefit allotments in Puerto Rico for each household size in 7 C.F.R. § 273.10(e)(4).
- ▶ Detail the gross and net income limits for Puerto Rico in 7 C.F.R. § 273.9(a).
- ▶ Detail the allowable income deductions for Puerto Rico in 7 C.F.R. § 273.9(d).

USDA could also consider making changes to the bilingual requirements in 7 C.F.R. § 272.4(b) and 7 C.F.R. § 273.2(e)(2)(iv) to clarify the regulatory requirements for project areas where a language other than English is the primary language spoken. These changes would stipulate what materials and services the SNAP State agency would need to provide in different languages to ensure meaningful access for single-language minority households.

E. Regulatory Actions by the Commonwealth of Puerto Rico

ADSEF would need to draft entirely new regulations for operating SNAP, including those regarding certification and eligibility, benefit issuance and redemption, monitoring and program integrity, and disaster assistance.

Chapter 6. Eligibility Rules and Benefit Calculations

This chapter examines differences between NAP and SNAP eligibility rules and benefit calculations. Section A describes the eligibility rules for both programs, and section B describes the benefit calculations for both programs. Section C describes stakeholder feedback on eligibility and benefits and section D summarizes key implementation considerations.

Overall, a transition to SNAP in Puerto Rico is expected to increase the number of eligible individuals and households (see chapter 15) and raise the benefit levels of participants. Some types of households may gain nutrition assistance eligibility and/or benefits under SNAP, while others may lose eligibility and/or benefits. Some effects of the transition would depend on ADSEF's eligibility policy decisions.

Eligibility Rules and Benefit Calculations: Key Findings

- **Benefit levels would likely increase.** In FY 2021, in the absence of NAP relief funds, the SNAP maximum benefit was about twice the NAP maximum benefit.
- **SNAP has higher net income limits than NAP for most households.** Although the NAP net income limit has been raised twice since 2018, it is still lower than SNAP for households of one to three people; more than 90 percent of SNAP households in Puerto Rico are expected to have three people or fewer.
- **Some NAP-participating individuals and households may not be eligible for SNAP or may receive lower nutrition assistance benefits:**
 - Adults with disabilities and older adults can form their own NAP households, even if they live with and purchase and prepare food with others. Except in unique circumstances, SNAP would not allow these individuals to form their own households.
 - Older adults in NAP receive an additional 20 percent of the maximum benefit for a one-person household.
 - Postsecondary students are eligible for NAP benefits, but those enrolled at least half-time would be eligible for SNAP benefits only if they met certain criteria.
 - Households with low incomes and modest assets may be ineligible for SNAP because standard SNAP asset limits are considerably lower than NAP, particularly for older adults.
 - NAP has income deductions for older adults, people with disabilities, postsecondary students, farmers and farmworkers, and veterans with no parallel in SNAP. These groups may have a higher net income under SNAP, potentially affecting their benefit levels or eligibility.
 - NAP has no work requirements. Under SNAP, ABAWDs who do not meet the work requirement face a time limit on their benefit receipt of 3 months in any 36-month period unless they receive discretionary exemptions or live in an area where the time limit is waived. Other SNAP work requirements could also affect eligibility.
- **Research is needed to determine which NAP participants would be most likely to lose nutrition assistance benefits.**
 - **ADSEF could mitigate some of these potential benefit losses** through implementation of broad-based categorical eligibility, which could increase or eliminate asset limits and increase the gross income threshold.

A. NAP and SNAP Eligibility Rules

Eligibility for NAP, defined in regulation 8684, is a function of financial and nonfinancial household characteristics. Eligibility for SNAP, defined in 7 C.F.R. § 273, also depends on financial and nonfinancial

household characteristics. This section describes how households are defined and the criteria those households must meet to be eligible for NAP and SNAP.

1. Household Definition

NAP and SNAP eligibility and benefits are determined for each applying household, which is a single person or a group of people who reside together. The programs differ in how residents of a particular dwelling can be formed into household units. While the Spanish term “núcleo de servicio,” or “service core,” is used in NAP, for simplicity, the term “household” is used throughout this chapter for NAP and SNAP.

a. Basic definition of a household

NAP. A NAP household consists of individuals living in the same residential unit, including spouses, parents, children (including minors in cases of shared custody, minor or adult children with disabilities, single or married children with their spouses and children, and minors under the custody of household members who are not their biological parents), other relatives, and nonrelatives. For some unique cases, individuals who live outside the residence can be included in the NAP household (e.g., because of work, school, or hospitalization for fewer than 30 consecutive days). A household has a maximum size of 18 members.²⁵

Elderly individuals (60 or older) who share a residence with nonelderly individuals may be considered a separate household even if they purchase and prepare food together with the nonelderly residents of the home. Certain individuals, such as adults with disabilities, can also form their own households.

Household members ineligible for NAP (e.g., ineligible noncitizens, those disqualified because of program violations) are excluded when determining household size.

SNAP. A SNAP household consists of individuals who live together and purchase and prepare food together. Individuals who live together but purchase and prepare food separately may apply as separate households. However, spouses must apply together, and parents must apply with their children younger than 22 if they live together. Elderly individuals (60 or older) and their spouses who are unable to purchase and prepare meals separately because of a permanent disability may apply as a separate household if the other people with whom they reside have income equal to or less than 165 percent of the Federal Poverty Guidelines. Household members ineligible for SNAP (e.g., those disqualified because of intentional program violations) are excluded when determining household size.

Differences. While many differences between NAP and SNAP households are apparent, one of the most important is that no aspect of the NAP household definition depends on how people purchase and prepare food. People considered to be one NAP household could potentially form separate SNAP households according to how they purchase and prepare food. In contrast, some NAP households (e.g., nonelderly adults with disabilities) would have to combine with others as one household under SNAP. Household size would therefore increase for some while decreasing for others; these changes could affect the eligibility and/or benefits of the households.

²⁵ In December 2020, 91 percent of households were one to three people; 77 percent of participants resided in these households.

b. Inclusion of noncitizens

NAP. As described in regulation 8684, article 25, U.S. citizens and some noncitizen residents of Puerto Rico are eligible to apply for NAP (table 6.1).

SNAP. As described in 7 C.F.R. § 273.4, U.S. citizens and some noncitizens are eligible to apply for SNAP (table 6.1).

Table 6.1. Noncitizens Eligible to Apply for NAP and SNAP

Eligibility Conditions	NAP	SNAP
No additional conditions for eligibility	<ul style="list-style-type: none"> ● Legal residents ● Parolees admitted as result of emergency or public interest for no less than 1 year ● Persons with permission for conditional entrance to United States 	<ul style="list-style-type: none"> ● U.S. nationals ● Asylees ● Refugees ● Those with deportation withheld ● Cuban or Haitian entrants ● Trafficking victims ● Iraqi or Afghan Special Immigrants ● Certain American Indians born abroad ● Hmong or Highland Laotian tribal members
Eligible under certain conditions ^a	<ul style="list-style-type: none"> ● Spouses, parents, and children of abuse victims with pending application for conditional entrance to United States (asylees, refugees including Cuban and Haitian entrants, trafficking victims, people with pending deportation, and, in some cases, Afghan or Iraqi citizens) 	<ul style="list-style-type: none"> ● Lawfully admitted permanent residents ● Parolees ● Conditional entrants ● Battered spouses or children and their family members

Note: ^a These groups must meet at least one of the following conditions: 5 years of residence in the United States as a qualified noncitizen; 40 qualifying quarters of work (as determined by the Social Security Administration’s Quarters of Coverage History System or by using the Social Security Administration’s methodology); children younger than 18; blindness or disability and receiving benefits or assistance for that condition; elderly (born before August 22, 1931, and lawfully residing in the United States as of August 22, 1996); or a military connection (honorably discharged veteran or on active duty, including spouses and children).

Differences. NAP and SNAP have similar rules regarding inclusion of noncitizens. Under SNAP, there are more noncitizens eligible without additional conditions, although these differences would likely affect only a small number of households in Puerto Rico.

c. Student eligibility

NAP. Minors aged 5–17 must be enrolled in school, participate in home schooling, or participate in liberal studies to complete 12th grade to be eligible for NAP. NAP does not include any additional eligibility requirements for students enrolled in institutions of higher education.

SNAP. SNAP does not include any additional eligibility requirements for minors in the household. However, students who are enrolled at least half-time at an institution of higher education are ineligible for SNAP unless they meet an exemption, such as being younger than 18 or older than 50, working at least 20 hours per week, participating in work study, participating in a SNAP E&T program or certain other employment and training programs, caring for a dependent child, or being mentally or physically

unfit for work. State agencies have the option to require a minimum of 80 work hours per month for these students instead of 20 hours per week.²⁶

Differences. Policies regarding students differ greatly between NAP and SNAP. While NAP places no conditions on the eligibility of postsecondary students and allows an income deduction for full-time postsecondary students (see below), SNAP requires postsecondary students enrolled at least part-time to meet additional requirements to be eligible. Fewer postsecondary students may receive nutrition assistance in Puerto Rico if SNAP is implemented.

d. Work requirements

NAP. There are no work requirements in NAP.

SNAP. SNAP has general work requirements and an ABAWD work requirement. All SNAP participants aged 16–59 who do not meet Federal exemption criteria are required to register for work, participate in workfare or SNAP E&T if required by the State agency, accept a bona fide offer of employment, and not voluntarily quit or reduce hours of employment below a 30-hour work week. Individuals who fail to comply with the general work requirements after a written warning are disqualified for a minimum of 1 month. The entire household may be disqualified if the head of household is noncompliant. ABAWDs are required to work or participate in a work program 80 hours per month unless they receive discretionary exemptions or live in an area where the time limit is waived. ABAWDs who do not meet the ABAWD work requirement face a time limit on their benefit receipt of 3 months in a 36-month period.

Differences. ADSEF would need to implement SNAP work requirements. The effect of this change on nutrition assistance participation would depend, in part, on whether the ABAWD time limit is waived for all or part of Puerto Rico. For a full discussion of work requirements, refer to chapter 10.

2. Financial Eligibility Criteria

To be eligible for NAP and SNAP, households must meet several financial criteria. In SNAP, State agencies may choose between Federal eligibility rules and BBCE. As of July 2021, 44 State agencies had BBCE policies, which expand SNAP categorical eligibility to households that receive noncash benefits funded by TANF or Maintenance of Effort Funds (USDA FNS, 2021a). Under BBCE, State agencies use asset and gross income limits for TANF noncash benefits to confer categorical eligibility (i.e., the asset test can be eliminated, and the gross income limit can be as high as 200 percent of the Federal Poverty Guidelines).²⁷ The discussion of SNAP requirements that follows focuses on Federal eligibility rules but indicates when requirements can differ under BBCE.

a. Asset limit

NAP. To be eligible for NAP, households with no members 60 or older may have no more than \$5,000 in assets. Households with only members 60 or older have an asset limit of \$15,000. The assets of

²⁶ The Consolidated Appropriations Act, 2021, temporarily expands SNAP eligibility to certain types of students by providing two new exemptions: those who are eligible to participate in State or federally financed work study (not only those who are able to obtain work study slots) and those who have an Expected Family Contribution of zero for the current academic year (as determined via the Federal financial aid process). The new, temporary exemptions will be in place until 30 days after the Federal Government lifts the official designation of the nationwide COVID-19 public health emergency.

²⁷ Certain households are prohibited from being eligible via categorical eligibility, such as those with a household member who was disqualified because of an intentional program violation or a head of household disqualified for not meeting the general work requirements (see chapter 10 for work requirements). This represents a small proportion of households in most States.

household members who receive benefits for having been determined totally and permanently disabled²⁸ are not counted. Resources shared by different people or different households are considered in their entirety for each household.

One vehicle per household is not considered an asset if it is registered under the name of a household member, independent of its value or use. Additional vehicles are not considered assets if they are used for the transportation of a household member with a disability, to produce income, for subsistence (e.g., taxis, tractors, mobile homes), or for study. The value of other additional vehicles in excess of \$6,000 is considered an asset.

NAP nonvehicle assets include cash, money in checking and savings accounts, individual retirement account savings and interest, saving certificates, stocks, bonds, lump-sum payments, and nonliquid assets (e.g., personal properties, real estate other than household residence).

Assets of people ineligible for NAP but residing in the household are included in the asset test when those people are disqualified from NAP, ineligible noncitizens, or children not enrolled in school.

SNAP. For FY 2021, households with at least one member who is 60 or older or has a disability had an asset limit of \$3,500.²⁹ For all other households, the asset limit was \$2,250.³⁰ This amount is indexed and adjusted annually.³¹ State agencies that opt for BBCE can choose not to require an asset test for households categorically eligible. Jointly owned resources are considered in their entirety for all owners unless a household can demonstrate the resource is inaccessible.

The fair market value of vehicles in excess of \$4,650 is counted as an asset for one vehicle per adult and for any vehicles used by a household member younger than 18 to commute to employment, training, or education. For all other vehicles, the higher of either the fair market value exceeding \$4,650 or the equity value is counted. However, the following vehicles are excluded: vehicles worth \$1,500 or less, certain income-producing vehicles, vehicles used as mobile homes, vehicles used for long-distance work travel, vehicles needed for the transportation of a household member who is physically disabled, and vehicles needed to carry water or fuel.

States have the option of substituting the vehicle rules used by their TANF program for SNAP vehicle rules when they result in a lower household asset total. In FY 2019, more than half of all States and territories had adopted rules that exclude all vehicles from the SNAP asset test, and most others adopted rules that exclude the value of additional vehicles (Cronquist, 2021).

SNAP nonvehicle assets include cash, money in checking and savings accounts, instruments issued by banks and credit unions (e.g., savings certificates, certificates of deposit), stocks, bonds, shares in mutual funds, and nonliquid assets (e.g., personal properties, real estate other than household residence).

²⁸ The disability determination must be made by a State or Federal agency such as the Federal Social Security Administration, the Department of Veterans Affairs, Retiro de Empleados(as) del Gobierno y la Judicatura (Puerto Rico Government and Judiciary Retirement System), Administración de Compensaciones por Accidentes Automovilísticos (Administration for Automobile Accident Compensation), Corporación del Fondo de Seguro del Estado (State Insurance Fund Corporation), or TANF.

²⁹ The FY 2022 asset limit for these households was increased to \$3,750.

³⁰ The FY 2022 asset limit for these households was increased to \$2,500.

³¹ The asset limit for households with individuals who are elderly or individuals with disabilities also serves as the threshold for substantial lottery or gambling winnings.

The assets of a household member who receives SSI or benefits through TANF are not included in the asset test. If all members of the household receive TANF, General Assistance, or SSI, the entire household is exempt from the asset test.

Assets of people ineligible for SNAP in the household are included in the asset test when those people are ineligible as a result of intentional program violations, felony drug conviction, fleeing felon disqualifications, workfare or work requirement sanctions, Social Security number disqualifications, comparable disqualifications, child support disqualifications, ineligible ABAWDs, and ineligible noncitizens.

Differences. The NAP asset limits are higher than the SNAP asset limits. If Puerto Rico implements BBCE, Puerto Rico could choose to raise or remove the asset test for categorically eligible households.

Generally, NAP allows applicants to have greater vehicle assets before their eligibility is affected. One vehicle per NAP household is excluded from assets regardless of its value and use, whereas only the first \$4,650 in value of one vehicle per adult is excluded from assets in SNAP. For additional vehicles, the value limit for exclusion in NAP is \$6,000, whereas it is only \$1,500 in SNAP. NAP and SNAP have similar policies about vehicles that may be excluded from assets based on their use. If ADSEF decides to align its vehicle policy with rules from TANF or a Maintenance of Effort–funded assistance program, the SNAP vehicle policy could be less restrictive.

NAP and SNAP policies regarding what is counted as a nonvehicle asset are similar. Both programs exclude certain nonvehicle assets (e.g., an applicant’s home) and include others. If SNAP were implemented in Puerto Rico, it would present a minimal change to nonvehicle asset policy.

Puerto Rico does not have SSI and has a small TANF program. If SNAP were implemented in Puerto Rico, individuals considered to have total and permanent disabilities not participating in these programs would no longer have their assets excluded from the asset test.

Rules on inclusion of assets for ineligible household members for NAP and SNAP are similar.

b. Income limit

NAP and SNAP both consider two types of income: gross income and net income. Gross income is all income other than exclusions allowable under program policy. Net income is calculated by subtracting deductions from gross income per program policy; deductions are generally based on income type, household composition, and household expenses.

NAP. Income includes cash earned from wages, salaries, training, annuities, and self-employment plus most unearned cash income. Some restrictions and exemptions are applied to income from TANF beneficiaries. During certification, anticipated income is considered and variable income is averaged over the prior 3 months. Income excludes loans, most noncash income and in-kind benefits, and any income earned by elementary or secondary school students 17 or younger. Income deductions and exclusions are summarized in table 6.2.

Table 6.2. NAP and SNAP Monthly Income Deductions and Exclusions in Fiscal Year 2021

Deduction Type	NAP	SNAP
Standard deduction	<ul style="list-style-type: none"> ● \$100 	<ul style="list-style-type: none"> ● Based on household size and location; standard deduction for 48 contiguous States and District of Columbia: <ul style="list-style-type: none"> ▪ \$167 for households of one to three people ▪ \$181 for households of four people ▪ \$212 for households of five people ▪ \$243 for households of six or more people
Income deduction	<ul style="list-style-type: none"> ● 50 percent of total earned income and unemployment income, with minimum of \$100 and maximum of \$600 —or— ● Unearned income, including child support and assistance from relatives and friends: \$100^a 	<ul style="list-style-type: none"> ● 20 percent of gross earned income of all household members
Dependent care deduction	<ul style="list-style-type: none"> ● Each child under 2 or minor aged 2–17 years with disabilities: \$225 ● Each child aged 2 or older or adult dependent under 60 with mental or physical disabilities: \$200 	<ul style="list-style-type: none"> ● Based on out-of-pocket costs incurred for care of children and other dependents
Child support payments	<ul style="list-style-type: none"> ● None 	<ul style="list-style-type: none"> ● State agencies may choose to deduct child support payments or exclude them from income
Excess shelter expenses deduction	<ul style="list-style-type: none"> ● None 	<ul style="list-style-type: none"> ● Shelter costs greater than half of household’s remaining net income after all other deductions; maximum in 48 contiguous States and District of Columbia: \$586^b ● Homeless shelter deduction: \$156.74
Medical expenses deduction	<ul style="list-style-type: none"> ● For people 60 and older, people with disabilities, and children: \$100 	<ul style="list-style-type: none"> ● Some out-of-pocket medical costs exceeding \$35 per month incurred on behalf of household individuals who are elderly (60 or older) or persons with disability (receiving SSI or similar benefits)
Older adults and disability	<ul style="list-style-type: none"> ● Each household member 60 or older: \$100 —or— ● Each household member who is completely disabled: \$100 	None
Terminal illness	<ul style="list-style-type: none"> ● Income of people with terminal illnesses: \$100 	None
University students	<ul style="list-style-type: none"> ● Each member of the household who is a full-time university student: \$100 	None

Deduction Type	NAP	SNAP
Other deductions and exemptions	<ul style="list-style-type: none"> ● Income of farmers and farmworkers: maximum \$760 ● Income of farmers and farmworkers during harvest season for approved products: 100 percent ● Income from Social Security, veteran pensions, and retirement pensions: 50 percent ● Income from new employment of at least 25 hours/week: <ul style="list-style-type: none"> ▪ Months 1–6: 100 percent excluded ▪ Months 7–12: 66 percent excluded ▪ Months 13–18: 33 percent excluded 	None

Note: SSI = Supplemental Security Income

^a The deduction for unearned income may not be combined with the deduction for older adults, disability, or medical expenses.

^b There is no cap for households with adults aged 60 and older or individuals with disabilities.

The income of ineligible household members is included in household income in the following situations: members disqualified from NAP for a program violation or from any other public assistance program for fraud, members disqualified for not providing or showing evidence of having requested a Social Security number, ineligible noncitizens and people without proper documentation of citizenship, and children aged 5–17 disqualified for not being in school.

Although gross income is calculated for NAP, there is no gross income limit. The NAP net income limit must be balanced with benefit levels to ensure the block grant is sufficient to cover all benefits and 50 percent of NAP administrative costs. The net income limit is therefore adjusted based on available funding. Since 2018, it has been increased twice (figure 6.1). While these increases were spurred by relief funding, they have been made permanent and have remained in place even after the expiration of all relief funds in 2021. All NAP applicants are subject to the net income limit.

SNAP. Income includes earned income from wages, salaries, tips, commissions, self-employment, and independent contracting plus most unearned cash income. Income also includes the deemed income of a noncitizen’s sponsor, where applicable. Income may be averaged according to methods established by the State agency. Income excludes loans, combat pay for deployed military personnel, most noncash income and in-kind benefits, and any income earned by elementary or secondary school students 17 or younger. SNAP income deductions and exclusions are summarized in table 6.2.

The income of ineligible household members is treated differently depending on the reason for ineligibility. In cases where a household member is ineligible because the member was disqualified for a program violation, the member’s income is included in the household’s income. In other cases, where the household member is ineligible because of other circumstances such as citizenship, the ineligible household member’s income is either included in its entirety or can be prorated, at the State agency’s option.

A SNAP household must have gross income equal to or less than 130 percent of the Federal Poverty Guidelines for that household size. Gross income limits can be higher under BBCE (e.g., 200 percent of the Federal Poverty Guidelines). Federal Poverty Guidelines are uniform for the 48 contiguous States and the District of Columbia but higher in Alaska and Hawaii. For SNAP eligibility determination, Guam and the Virgin Islands use the same poverty guidelines as the 48 contiguous States. For FY 2021 in the 48

States, the District of Columbia, Guam, and the Virgin Islands, the gross income limit for a household of one was \$1,383 per month, with an increase of \$485 or \$486 for each additional household member.

The net income limit is 100 percent of the Federal Poverty Guidelines for the household size. For FY 2021 in the 48 contiguous States, the District of Columbia, Guam, and the Virgin Islands, the net income limit for a household of one was \$1,064 per month, with an increase of \$373 or \$374 for each additional household member. Gross and net income eligibility limits are revised annually.

SNAP households with individuals who are elderly or persons with disabilities are not subject to the gross income limit. Households in which all members receive TANF or SSI are considered categorically eligible and therefore not subject to SNAP income limits. In some States agencies, households in which all residents receive General Assistance are also exempt from SNAP income limits.

Differences. The types and sources of income included in eligibility determination are generally similar for NAP and SNAP, including income of ineligible household members, but the exemptions, deductions, and income thresholds differ. The effect of a transition from NAP to SNAP on the overall amount deducted from gross income would vary by household and could affect various groups' eligibility and benefit levels differently (e.g., older adults compared with parents with school-aged children).

The SNAP standard deduction and excess shelter expenses deduction would contribute to higher deductions than can be taken under NAP. The SNAP standard deduction starts at \$167 and increases with household size, while the NAP standard deduction is \$100 for all households. The excess shelter expenses deduction would be new in Puerto Rico under SNAP. One option often used by State agencies to simplify excess shelter deductions is the Standard Utility Allowance. Most State agencies allow a set amount for utility costs instead of the actual costs when calculating the excess shelter deduction. Standard Utility Allowances are established by the State agency and may vary based on the household's size, location, and utilities used. Some State agencies have specific utility allowances for individual utilities, some have a multiutility allowance that includes heating and cooling costs, and some have a multiutility allowance that excludes heating and cooling costs.

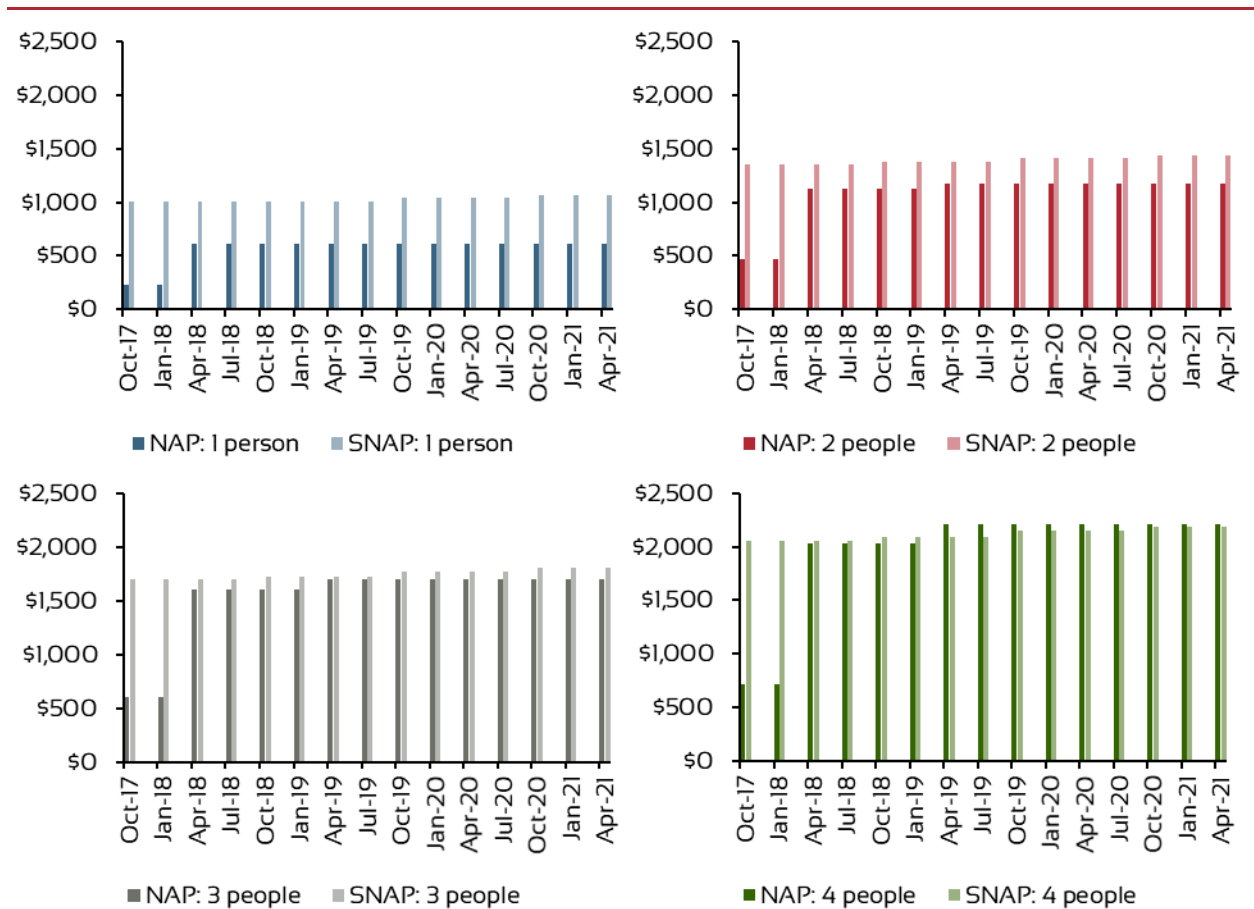
The earned income deduction, dependent care deduction, and medical expenses deduction could be higher under SNAP for some households and lower for others. The SNAP earned income deduction of 20 percent would be higher than the NAP earned income deduction for households with more than \$3,000 of monthly earned income (20 percent of \$3,000 = \$600, the maximum NAP earned income deduction). As such, larger households, who can earn this much income while remaining eligible for SNAP, have the potential for a larger earned income deduction under SNAP than NAP. Smaller households, which are the majority under NAP and are anticipated to represent most SNAP households in Puerto Rico, would have a smaller earned income deduction under SNAP than NAP. The dependent care and medical care deductions under SNAP are not capped, as they are in NAP; the effect of a transition to SNAP on these deductions would depend on household expenditures.

There are several other income deductions and exclusions unique to NAP; households that claim these deductions under NAP could have a lower overall deduction under SNAP. The households that would be most greatly affected are those with adults who are elderly, people with disabilities, full-time university students, farmers, farm workers, pension recipients (Social Security, veteran's, retirement), and people newly employed.

If SNAP were implemented in Puerto Rico, the gross income test would be a new part of nutrition assistance eligibility. The gross income limit put in place would depend on whether Puerto Rico adopts BBCE.

While the increases in NAP net income limits since 2018 have made them more like SNAP's, they remain lower than SNAP's for households of one to three people (figure 6.1).

Figure 6.1. Net Monthly Income Limits for NAP and SNAP Households of One to Four People



Note: SNAP households in this figure include households in 48 contiguous States, the District of Columbia, Guam, and the Virgin Islands.

B. NAP and SNAP Benefit Calculations

When a household is determined eligible, its benefit level is calculated. Benefits received under NAP and SNAP are primarily a function of the maximum benefit and household income.

1. Basis for Benefit Levels

NAP. Minimum and maximum benefit levels in Puerto Rico must be set at a level that ensures the block grant amount, set in FY 2021 at approximately \$2.0 billion, can fund all benefits and 50 percent of NAP administrative costs. Additional funding authorized by Congress in response to Hurricane Irma, Hurricane Maria, and the COVID-19 pandemic temporarily allowed higher benefit levels.

SNAP. SNAP benefit levels are updated each year³² based on the cost of the TFP, which is the cost of groceries needed to provide a healthy, budget-conscious diet. The maximum SNAP benefit for a household of four is equal to 100 percent of the cost of the TFP market basket for a family of four that consists of one adult male aged 20–50, one adult female aged 20–50, one child aged 6–8, and one child aged 9–11. To account for economies of scale, the maximum benefit per person is higher in smaller households and lower in larger households. SNAP maximum benefits are based on the TFP costs for the month of June, and the new benefit levels go into effect on October 1, at the start of the next Federal fiscal year. The methodology for calculating the TFP is updated periodically; the update for FY 2022 took effect in October 2021.³³

Maximum benefit levels are different in Alaska, Hawaii, Guam, and the Virgin Islands, but as with the 48 States and the District of Columbia, the benefit levels are based on the TFP for a family of four and adjusted for economies of scale. Separate market baskets were developed for Alaska and Hawaii and Alaska is divided into four geographic areas for SNAP purposes; Anchorage, Urban Alaska, Rural Alaska I, and Rural Alaska II. Market baskets were also developed for Guam and the Virgin Islands, but food costs were capped at the highest amount in the 50 States.

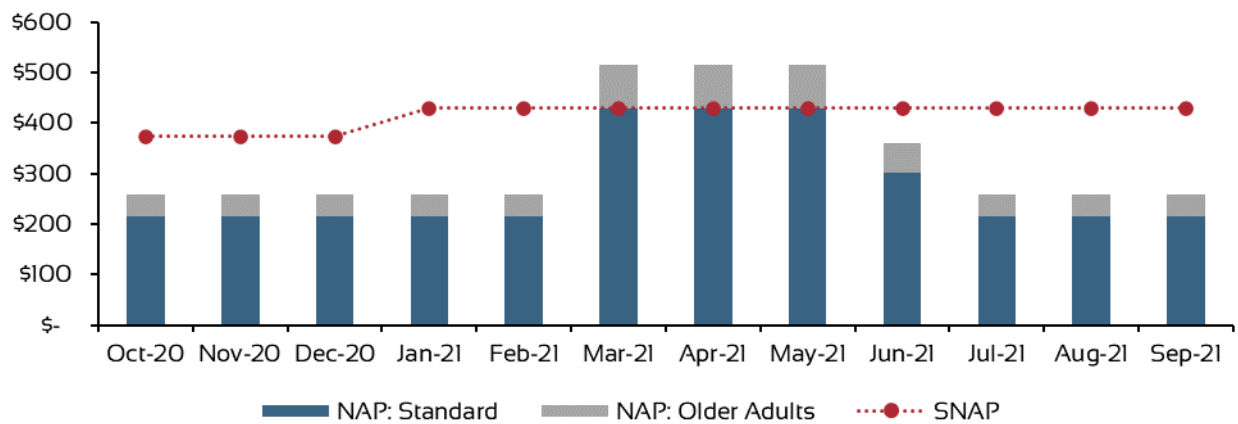
The minimum benefit level for 1- and 2-person households is equal to 8 percent of the cost of the maximum SNAP allotment for a household containing 1 member; in the 48 States and the District of Columbia, this was \$16 in FY 2021 prior to the COVID-19 pandemic benefit increases and \$19 after the increases. Minimum benefit levels are different in Alaska, Guam, Hawaii, and the Virgin Islands, but as with the 48 States and the District of Columbia, the benefit levels are 8 percent of the maximum allotment for a 1-person household. There is no minimum benefit for larger households.

Differences. SNAP maximum benefits are based on the TFP, while NAP maximum benefits are based on available funding and program participation. Figure 6.2 shows the maximum benefit for a household of two in FY 2021, which is representative of patterns for all household sizes. In 2021, in the absence of relief funding, the SNAP maximum benefit was 1.8–2.1 times higher than the NAP maximum benefit. When NAP maximum benefit levels were at their highest from March through May 2021, they were equal to FY 2021 SNAP maximum benefits.

³² Benefit levels were increased during FY 2021 because of the COVID-19 pandemic.

³³ While previous updates to the TFP were designed to be cost-neutral, the update for FY 2022 was required to reflect current food prices without such a constraint. As a result, for a reference family with a man and woman 20–50, a child 6–8, and another child 9–11, the value of the market basket increased by 21.03 percent. This is the first time in over 40 years the value of the TFP has been increased rather than being adjusted for inflation.

Figure 6.2. NAP and SNAP Maximum Monthly Benefits in Fiscal Year 2021 for Households of Two People, October 2020–September 2021



Note: The NAP maximum benefit does not include the monthly adjustment added to benefits based on available funding. SNAP maximum benefits displayed are for the 48 States and the District of Columbia.

2. Benefit Calculation

NAP. An eligible household’s monthly benefit is calculated by subtracting 15 percent of its net income from the maximum for that household size. Each adult 60 and older receives an additional 20 percent of the maximum benefit for a one-person household.

To fully utilize block grant funds, a monthly adjustment is made to increase benefits when excess funds are available. Excess funds are those not allocated in the previous month or other unused funds, including those expunged from participants’ accounts as a result of nonuse. NAP benefits are expunged and reverted to NAP when participants do not access their account benefits for 120 days. The monthly adjustment redistributes excess funds proportionately to households’ benefits (e.g., if excess funds total 25 percent of the standard benefit, participants will receive a 25 percent increase in their benefit). From October 2018 through December 2021, the monthly adjustment ranged from less than 5 percent to more than 34 percent; the average was 13.6 percent (L. Leduc, personal communication, December 7, 2021).

NAP participants living in areas with Family Markets, which are farmers markets jointly operated by ADSEF and the Puerto Rico Department of Agriculture, have a portion of their monthly adjustment set aside for exclusive use in the markets. If the adjustment is 4 percent or less, the entire adjustment is reserved for Family Markets. If the adjustment exceeds 4 percent, the first 4 percent is reserved for Family Markets and the remainder of the adjustment can be used as standard NAP benefits.

SNAP. The monthly benefit level is calculated by subtracting 30 percent of the household’s net income from the maximum benefit amount for the household’s size. Benefits can be redeemed at any authorized retailer.

Differences. SNAP benefits are generally the same every month in the fiscal year, while NAP benefits vary from month to month with adjustment for excess funds. Because SNAP is an entitlement benefit, a provision to reallocate unused benefits through monthly adjustments would no longer be needed if the program were implemented in Puerto Rico.

SNAP State agencies do not designate benefits for use at any specific types of authorized retailers. Under SNAP, households in Puerto Rico located in areas with Family Markets would not be required to spend some of their benefits in these markets unless Congress included a role for the Family Markets in legislation or FNS authorized dedicated funds for Family Markets as a demonstration project.

C. Stakeholder Feedback

Eligibility Rules and Benefit Calculations Stakeholders Interviewed in Puerto Rico

- ADSEF central office staff
- FOMB
- CBOs
- NAP Retailers

Eligibility and benefits were discussed in interviews with ADSEF, FOMB, CBOs, and retailers. Two main themes emerged from these discussions:

Increases in participation and benefits. Interviewees showed widespread support for increasing participation in nutrition assistance and providing a higher benefit to participants. Many stakeholders emphasized NAP benefits are inadequate. Benefits equal to those in SNAP were central to stakeholders' support for

SNAP implementation. The increased benefits are anticipated to improve food security and diet quality among participants while supporting the local economy through increased food sales. Retailers noted many States would also benefit because much of Puerto Rico's food is imported from the United States.

Changes in eligibility. Some CBOs expressed concern that NAP participants could lose benefits with a transition to SNAP. In particular, older adults could not form their own households if they live with nonelderly individuals, would not have a special income deduction, and would not have the 20 percent increase in benefit they have under NAP. Because Puerto Rico does not have SSI, nutrition assistance is an especially important support for older adults with low incomes; they could be adversely affected by the loss of nutrition assistance. This population is particularly important to consider in Puerto Rico because older adults represent a larger proportion of the population than in the States. CBOs also expressed concern about changes in eligibility for people with disabilities, who benefit from special treatment under NAP, and for college students, who are a sizeable constituency in NAP given their risk for food insecurity. College students are not subject to additional eligibility requirements under NAP as they would be in SNAP; they could therefore lose their nutrition assistance.

"By the end month, by that last week of the month, they don't have NAP benefits. They don't have anything left from what they acquired with the benefit. The nutritional benefit is not enough with NAP."

—CBO interviewee

D. Implementation Considerations

While some people in Puerto Rico could receive higher nutrition assistance benefits under NAP than SNAP, others may lose some or all of the benefits they receive under NAP. These changes would be driven primarily by differences between the programs in household composition rules and income deductions. The demographic groups potentially affected most by the differences in household composition rules are older adults and adults with disabilities; they may form their own households under NAP even when they live with others but would not be allowed to do so under SNAP except in unique circumstances. The groups potentially affected the most by differences in income deductions are older adults, people with disabilities, postsecondary students, farmers and farmworkers, and veterans; all these groups may claim income deductions under NAP that have no parallel in SNAP. In addition to

losing the income deduction under SNAP, postsecondary students would need to meet additional eligibility requirements for SNAP.

These potential impacts are based on an analysis of the policy differences between the programs. To better understand the magnitude of the impacts on the population, ADSEF could consider conducting a detailed microsimulation of the effects of different SNAP eligibility policies on eligibility and benefit levels. Using a data source such as the Puerto Rico Community Survey, ADSEF could model NAP eligibility as the baseline. ADSEF could then model SNAP eligibility under a variety of policy options to better understand how different types of individuals and households would be affected (e.g., older adults, postsecondary students).

This detailed microsimulation of SNAP policies could be valuable at many stages of SNAP implementation. Conducting a detailed microsimulation before a decision is made in Congress to implement SNAP in Puerto Rico could provide more information about the effects of the transition, enabling policymakers to consider legislative options that would minimize the loss of nutrition assistance benefits, especially for demographic groups who lack other sources of financial support (e.g., older adults in Puerto Rico who do not have the option to participate in SSI).

Later, during the program design phase of SNAP implementation (see chapter 15), ADSEF could update the microsimulation with the most recent data to inform the SNAP policy choices it makes. During this phase, ADSEF would need to make important decisions about eligibility policy, including whether to adopt BBCE, use an optional or mandatory Standard Utility Allowance, and include child support payments as either an exclusion from gross income or an income expense deduction.

During the planning phase, if more recent data are available, ADSEF could update the microsimulation once again to ensure the most accurate estimate possible of SNAP participation, which would help the agency hire the appropriate number of staff members. The SNAP participation estimates presented in chapter 15 are based on 2019 data and assume certain eligibility policy options that may not match the options ADSEF ultimately chooses. An updated microsimulation would also be valuable to help ADSEF identify and reach out to NAP participants most likely to lose some or all of their nutrition assistance benefits under SNAP. See chapter 13 for more detail on this communications effort.

During the planning phase, ADSEF would also need to develop its State Plan of Operations, which would include a detailed description of all eligibility policies.

Chapter 7. Eligibility Determination and Benefit Issuance

This chapter describes eligibility determination and benefit issuance processes for NAP and SNAP, including how ADSEF certifies and issues benefits to eligible households, requirements for the SNAP certification process, and changes that would be required in ADSEF's current processes if SNAP were implemented in Puerto Rico. Section A provides background on eligibility determination and benefit issuance in NAP and SNAP, section B describes the NAP process, section C describes the SNAP process and how it differs from the NAP process, section D provides stakeholder feedback on eligibility determination and benefit issuance, and section E summarizes key considerations for implementing SNAP.

Eligibility Determination and Benefit Issuance: Key Findings

- **ADSEF** would need to learn about SNAP policy, choose program design options, and apply for waivers. These program design decisions would need to be incorporated in the State Plan of Operations, policy manual, and procedures manuals. While ADSEF has versions of these documents for NAP, the SNAP versions would require much more detail and some entirely new components.
- **ADSEF** would need to oversee the development of new data systems to implement SNAP eligibility determination and benefit issuance and gain access to all required databases for data matches.
- **ADSEF eligibility workers and supervisors** would need to learn about and implement new Federal and State agency policies; they would require training across all aspects of SNAP requirements. SNAP implementation would require ADSEF to hire approximately 550 additional eligibility workers.
- **Participants** would go through similar steps to apply for and receive nutrition assistance benefits.

A. Background

To receive nutrition assistance benefits, NAP and SNAP applicants must provide all the information required to determine their household's eligibility and benefit levels. Eligibility workers collect this information through a combination of a written application, supporting documentation, an interview, and in some cases, collateral contacts. Eligibility workers are supported in rendering eligibility and benefits decisions by data systems programmed to implement the relevant program policies; all eligibility determination and benefit issuance decisions are approved by eligibility workers, supervisors, or other State merit system personnel. Supervisors may check the decisions before the eligibility worker makes the final approval. Accurately and efficiently processing applications for certification and recertification is central to the function of NAP and SNAP. NAP requirements for these processes are governed by regulation 8684; SNAP requirements are governed by 7 C.F.R. §§ 272–274.

B. NAP Processes

The ADSEF central office is responsible for developing the policies, processes, and systems used to determine NAP eligibility and issue benefits. Regional offices train and oversee staff in local offices, where eligibility workers³⁴ conduct the day-to-day work of eligibility determination. This section describes the main policies at the central level related to eligibility determination and benefit issuance

³⁴ Eligibility workers are called técnicos, or technicians, in Puerto Rico. For consistency of terminology across NAP and SNAP, they are referred to as eligibility workers throughout this report.

and the processes for conducting this work in the local offices.

1. Planning Document

Puerto Rico annually submits a NAP Plan of Operations for approval by FNS. This plan includes information on NAP operations and an annual budget of the full cost of benefits to participants and associated administrative costs. The NAP Plan of Operations also describes the major elements of NAP administrative policy, which range from eligibility requirements to application processes and reporting to FNS (see text box). Subject to FNS approval, waivers allow for changes to policies and procedures as described in the NAP Plan of Operations.

FY 2021 NAP Plan of Operations Topics

- Eligibility requirements (financial and nonfinancial)
- Benefit levels
- Application process
- Appeals process for adverse actions
- Planned NAP work requirements
- Benefit issuance and redemption
- Program integrity
- Retailer authorization and management
- Family Markets
- Nutrition education
- Data systems
- Reporting

2. Application and Interview Process

Prior to the COVID-19 pandemic closing all local offices, applicants went in person to a local office and filled out a paper application for NAP. The in-person application made it possible for individuals to simultaneously apply for TANF and the Low Income Home Energy Assistance Program (LIHEAP). Eligibility workers entered information from the paper application into the eligibility system (Sistema de Administración e Información de Casos [SAIC] or Case Management and Information System). Applicants were given an appointment to return to the local office for an interview within the next 10 days, when they could present all required documentation. Applicants who could not complete their applications or interviews at the local offices because of a disability or medical condition could have an eligibility worker conduct a home visit.

If any information was missing or insufficient after the interview, it could be provided by email or via a follow-up appointment. As needed, eligibility workers could conduct home visits and/or speak with neighbors or other contacts by phone or in person to obtain information required to render an eligibility decision. Frequently, applicants made multiple office visits to provide all required documentation.

Before and after the COVID-19 pandemic, applicants and participants could call Puerto Rico's 311 line to get information about applying for NAP and to schedule appointments at local offices. The call center does not accept applications or make any updates to open applications or cases.

During the peak of the COVID-19 pandemic, FNS approved waivers from the NAP State Plan of Operations. All local offices were closed and eligibility workers were instructed to work remotely. ADSEF worked with its EBT vendor to develop an online application for participants to provide basic initial information and begin the application process. Once submitted, the appropriate ADSEF regional office would process the application. This version of the application was not integrated into SAIC. Instead, eligibility workers reviewed the applications, entered details into SAIC, and followed up with the applicant via phone to gather any additional information needed to make a determination. Participants provided required documents electronically. ADSEF did not conduct interviews and the only documents required were identification and proof of residence. Regional offices set up drop boxes to receive paper applications.

3. Documentation and Verification

Applicants provide required documents in person, by mail, or electronically. If any documents are in doubt, eligibility workers corroborate the information with the entity that issued the document (e.g., the Departamento del Trabajo y Recursos Humanos [Department of Labor and Human Resources] to verify unemployment insurance, employers to verify income). If applicants cannot provide any documents and the eligibility worker has exhausted all means for obtaining them within the time limit for rendering an eligibility decision, the applicant may submit a written certification of the information provided in the application subject to perjury penalties. Victims and survivors of domestic violence are exempt from presenting documentation; they need to submit a written certification, subject to perjury penalties, and have any relevant protection order included in their case file.

4. Eligibility Determination and Benefit Issuance

Eligibility must be determined within 30 days from the date the application is signed and filed by the applicant (i.e., the day they first visit the local office to begin the application). Otherwise, the determination is considered delayed. If the applicant is certified, benefits received for the month of the application are prorated based on the application date; applications received between the 1st and 10th of the month receive 100 percent of the benefits for the month, applications received between the 11th and 20th receive 66 percent, and applications received between the 21st and 31st receive 34 percent.

Applications are processed by eligibility workers at the applicant's local office, which is determined by the location of their residence. Local offices store all case files, which are paper files, in a central location under lock and key. Applications submitted electronically during the COVID-19 pandemic were printed and stored in the same fashion as all other case files. To transfer between local offices when a participant moves, a change is documented in SAIC and the case file is sent by internal mail to the new office.

If an applicant provides all required documents when they attend their interview, an eligibility decision can be rendered in about an hour. SAIC automatically applies NAP eligibility rules when information is entered into that system; it is not a completely manual process. A local office supervisor must approve the eligibility and benefits decision. The participant can then receive their EBT card while at the local office and set up their PIN; the card becomes active 24 hours later. If EBT cards are not available at the local office or at the option of the applicant, the card can be mailed. With local offices closed during the COVID-19 pandemic, all cards were mailed and typically received within 5 to 10 days.

Participants receive their benefits through their EBT card each month. If NAP benefits are not redeemed for 60 days, the account is inactivated. The account can be reactivated if the household provides good cause for the period of inactivity. If the account is not reactivated and benefits remain unused for another 60 days, they are expunged from the account and returned to the program. Any benefits reserved for use at Family Markets not used within 120 days of issuance are expunged from the account and returned to the program, even if the account is otherwise active. Expunged benefits are re-issued to participants through the monthly adjustment process (see chapter 6).

5. Certification Periods

Certification periods range from 3 to 24 months. The certification period is based on the economic circumstances of the household; the household composition; current or anticipated receipt of Social

Security benefits; application for or anticipated receipt of unemployment, disability, or worker’s compensation benefits; and other factors that may affect the household’s eligibility.³⁵ NAP certification periods for households receiving TANF benefits coincide with the TANF certification period.

6. Process for Reporting Changes

Per regulation 8684, households are required to report the following changes to household circumstances within 10 days in person or by mail:

- ▶ Household composition
- ▶ Income sources
- ▶ Income from unemployment, Social Security, disability, worker’s compensation, and other benefits
- ▶ Changes to total monthly income greater than \$100
- ▶ Expenses greater than \$25 for dependent care
- ▶ Household resources
- ▶ Expenses for ongoing medical care
- ▶ Student status
- ▶ Residential or postal address
- ▶ Any other changes that would affect eligibility or benefits

Changes in location or address or to close an account are considered passive actions; no documentation is needed. If the applicant does not provide documentation for other changes, eligibility workers schedule a follow-up interview to obtain the documentation.³⁶

7. Recertification Process

To recertify, participants attend an in-person interview and provide the same documents required for initial certification. If the participant does not complete the recertification process before the end of their certification period, the case will be considered inactive for 1 month. Benefits will not be issued while the case is inactive, but the participant can finish the recertification without starting a new application.³⁷ If the recertification is not completed within a month of the certification period ending, the case is closed. Participants are not penalized for delays in recertification caused by the local office; if

NAP Certification Periods

- Three months: active cases transferred to a new local office when a participant moves, residents of institutions with an expired license or permit
- Six months: households for which changes in resources or income are expected, homeless participants, minors in shelters, crime witnesses and victims, victims and survivors of domestic violence, employees living in an institution
- Seven to 12 months: households where changes in resources or income are not expected, households residing in an institution, households composed exclusively of adults 60 and older or people with disabilities who have earned income, households with stable self-employment with regular income and stable household circumstances
- Twenty-four months: households composed exclusively of adults 60 and older or people with disabilities who have only unearned income or who reside in an institution

³⁵ In the past, ADSEF has extended certification periods to alleviate high workloads among eligibility workers.

³⁶ Change reporting requirements were waived during the COVID-19 pandemic.

³⁷ Participants who can present good cause for a late recertification may continue to receive benefits after their certification period ends. Good cause includes sickness, problems with the mail, and other issues outside the household’s control.

they start the recertification process on time, they can continue to receive benefits and complete recertification the following month.³⁸

C. SNAP Requirements and Changes Needed

The basic steps of the NAP and SNAP certification processes are similar: participants apply, attend an interview, are certified to participate for a certain amount of time, are required to report certain changes, and must recertify if they wish to continue participating in the program. However, the details of the processes differ. This section describes requirements specific to SNAP and the changes that would need to occur if SNAP were implemented in Puerto Rico.

1. Planning Documents

Each State agency must produce a series of annual plans subject to approval by FNS. Together, these plans are referred to as the State Plan of Operations, and they provide a detailed description of the State's SNAP policies and operational procedures.³⁹ See the text box for SNAP State Plan of Operations requirements. Each State agency must also develop a policy manual that details State agency policies and a training manual. State agencies that choose to operate two optional programs, SNAP-Ed and SNAP Outreach, must also develop plans for those programs (see chapters 12 and 13, respectively, for more details about those programs).

State agencies must provide a list of SNAP options (i.e., choices written into SNAP statute or regulations) in their State Plan of Operations; options offer flexibility in SNAP administration.⁴⁰ FNS may offer guidance to State agencies, but the selection of options is at the States' discretion. Some of the options States must select relate to certification policy, such as certification periods and reporting policies.

Change needed. ADSEF would need to produce a SNAP State Plan of Operations. While the NAP Plan of Operations has many elements required for this document, SNAP plans require considerably more detail; they can be over 5 to 10 times longer than the FY 2021 NAP plan. Therefore, even for the topics already addressed in the NAP Plan of Operations, much more work would be needed to draft a SNAP State Plan of Operations. As noted in the text box, many topics would be entirely new for ADSEF; learning about these new topics and producing a plan could be a bigger challenge than drafting a plan for topics ADSEF is familiar with.

SNAP State Plan of Operations Requirements

- Federal-State Agreement
- Budget Projection Statement (FNS-366A)
- Program Activity Statement (FNS-366B)*
- QC Sampling Plan
- SNAP E&T Plan*
- D-SNAP Plan
- Organizational Outline
- SAVE Plan*
- Income and Eligibility Verification System (IEVS) Plan*
- Claims Management Plan
- Disqualification for Failure to Meet Work Requirements Plan*
- Definition of Fleeing Felon*
- Client Reporting System
- SNAP-Ed Plan (if implemented)
- Informational Activities to Low-Income Households Plan (Outreach Plan) (if implemented)*

**Topic not addressed in NAP Plan of Operations*

³⁸ Recertifications were not required during the COVID-19 pandemic. ADSEF began recertifying participants electronically in November 2021.

³⁹ FNS issues an annual guide for the State Plan of Operations.

⁴⁰ See the State Options report for descriptions of many of the commonly selected options (USDA FNS, 2018c).

2. Waivers and Demonstration Projects

Through administrative waivers, FNS grants permission to State agencies to waive certain SNAP regulatory requirements. Several waivers are relatively common,⁴¹ but FNS must approve each waiver request, and State agencies must provide supporting data for waiver extension requests. Waiver requests must explain the reason(s) the waiver is needed, the number and characteristics of the participants to be affected by the waiver, the impact on service to those participants, the time the waiver is needed, and a description of the alternative to the regulatory provision. Approved demonstration projects allow waivers of the statute and the regulations. As with waivers, State agencies that want to operate demonstration projects must apply to FNS for approval. Demonstration projects require a robust evaluation component.

Change needed. ADSEF would need to request SNAP waivers and demonstration projects according to SNAP procedures and requirements.

3. Application and Interview Process

Each State agency must have a SNAP application form. Federal regulations require State agencies to accept applications with only the applicant's name, address, and signature to establish the applicant's filing date. FNS requires that applications also include applicant rights and responsibilities (e.g., information on the availability of expedited services, information on the date benefits become available for approved applications, warnings about the penalties associated with misrepresenting information or misusing benefits). While not a requirement, State agencies may combine the SNAP application with applications for other benefit programs, such as Medicaid and TANF.

State agencies must also establish a procedure for conducting SNAP interviews. FNS has few specific requirements for the interviews, allowing State agencies considerable flexibility. Interviews are held in local SNAP offices or over the phone, depending on the needs of the applicant and the State agency's administrative options. During the interview, the eligibility worker reviews the application and collects any supporting documentation. State agencies are required to make accommodations for applicants who do not speak conversational English. Many do so by having interpreters on staff or by using the Language Line over-the-phone interpreter service. State agencies are also required to provide telephone interviews in cases where a face-to-face interview presents a hardship, such as for applicants who are elderly or have disabilities or those with difficulty obtaining transportation to the SNAP office. State agencies offering phone interviews are required to offer a face-to-face interview at the request of the participant.

Change needed. ADSEF would need to develop a new application for SNAP. SNAP regulations specify the need to make accommodations for applicants and participants with limited English proficiency. For Puerto Rico, it would be appropriate to have accommodations for those with limited Spanish proficiency. ADSEF would need to make formal arrangements to provide language support services accordingly. ADSEF would not be required to change the core application and interview processes used under NAP to collect the information and documentation required to render an eligibility decision, although the information and documentation collected would change. If ADSEF were to choose to provide a telephone interview option, as most State agencies do, it would need to develop telephone interview procedures.

⁴¹ See the Supplemental Nutrition Assistance Program Certification Policy Waiver Database for current waivers (USDA FNS, n.d.b).

4. Documentation and Verification

Verification is defined in 7 CFR § 273.2 as “the use of documentation or a contact with a third party to confirm the accuracy of statements or information.” State agencies may use documentation, collateral contacts, and home visits to verify information. SNAP applicants are expected to provide documentation of required items for establishing their eligibility for SNAP, including income, identification, citizenship status, and employment. Eligibility workers are responsible for assisting the household in obtaining necessary verifications. State agencies also need to verify any other questionable information that could affect the household’s eligibility and benefit level. While some documentation is required by SNAP regulations, State agencies have the option to require documentation for other items, including housing, childcare, household composition, and identity of household members other than the head of household. State agencies may verify any of those other items.⁴²

During the certification process, State agency eligibility workers are required to check seven State or national databases:

- ▶ **The Death Master File**, maintained by the Social Security Administration (SSA), verifies the applicant is alive. This verification helps to guard against identity theft and overissuance for deceased household members.
- ▶ **The Prisoner Verification System**, maintained by SSA, verifies the applicant is not currently in Federal custody. Like the Death Master File, this verification helps to guard against identity theft.
- ▶ **The National Directory of New Hires (NDNH)**, operated by the Office of Child Support Enforcement (within the Administration for Children and Families, HHS), enables State agencies to check whether participants are reporting the correct employment status.
- ▶ **Income and eligibility verification system (IEVS)**, administered by the State agency, performs data matches against other agency databases to verify certain types of income.
- ▶ **Systematic Alien Verification for Entitlements (SAVE) Program**, maintained by U.S. Citizenship and Immigration Services, enables State agencies to verify the immigration status of applicants.
- ▶ **The Electronic Disqualified Recipient System (eDRS)**,⁴³ compiled by FNS, provides data on whether applicants have been disqualified to receive SNAP benefits in other States.
- ▶ **Gambling and lottery winnings** are verified from a source administered by the State if the State has a data match with gaming entities.⁴⁴

Optional data matches include the following:

- ▶ Maintained by SSA, the State Data Exchange and Beneficiary Data Exchange (BENDEX), which contain information about SSI and Social Security beneficiaries
- ▶ Maintained by HHS: Public Assistance Reporting Information System (PARIS)

⁴² SNAP Quality Control procedures require verification of all items, regardless of whether they are verified during the application process.

⁴³ eDRS is a national database that tracks all SNAP recipients suspended or disqualified from the program across States. Some States also enter into data-sharing agreements with geographically proximate States to check whether an applicant has recently applied for or is receiving SNAP in another State.

⁴⁴ [Final Rule: Implementation Memo for Lottery and Gambling Winners | USDA-FNS](#)

- ▶ Maintained by States: databases relating to employment, child support, births, deaths, criminal justice, motor vehicles, taxes, etc.
- ▶ Commercial databases (e.g., Work Number)⁴⁵

Change needed. Table 7.1 summarizes the documentation required for NAP and SNAP, although the requirements for SNAP could vary depending on the options exercised by each State agency. ADSEF could opt to verify additional information, such as household size, even where not questionable.

ADSEF would need to obtain access to several databases so eligibility workers could verify information during the certification process. Chapter 14 describes how data matches would be integrated into the SNAP eligibility system.

Table 7.1. Documentation Needed for NAP and SNAP, Fiscal Year 2021

Eligibility Area	NAP	SNAP
Citizenship status	Required ^a	Required
Residency	Required	Required
Identification	Required	Required
Disability ^b	Optional	Optional
Social Security number	Required ^c	Required
School enrollment ^d	Not required	Optional
Household composition	Not required	Optional ^e
Resources, nonvehicle	Required ^f	Not required
Resources, vehicle	Required	Not required
Earned income	Required	Required
Unearned income	Required	Required
Expenses, medical ^g	Optional	Optional
Expenses, dependent care ^g	Optional	Optional
Expenses, shelter ^g	N/A	Optional
Expenses, child support payments ^g	Not required	Optional
Hours worked	N/A	Required ^h
Countable months in another State ⁱ	N/A	Required

Note: N/A = not applicable

^a Applicants must complete a form, Declaración de Ciudadanía o Condición de Extranjero (Proof of Citizenship or Noncitizen Status). The eligibility decision is not delayed while awaiting confirmation of information about citizenship status provided by this form.

^b Must be reported to receive any special considerations given to participants with disabilities

^c Social Security numbers or proof of having applied for a Social Security number must be provided for all household members within 30 days of the application for household members aged 3 months or older; 60 additional days are granted for infants under age 3 months.

^d For NAP, children 5–17 must be enrolled in school. The requirement does not apply to emancipated minors and those who have completed high school. For SNAP, some applicants must submit documentation of school enrollment to satisfy eligibility requirements or exemption from work registration requirements. Postsecondary students enrolled at least part time must report their status for SNAP because they must meet additional eligibility criteria. Verification may be required of the applicant being physically or mentally unfit as an exemption to the requirements for postsecondary students.

^e Verification required if the information provided is questionable

⁴⁵ Work Number is a commercial product of Equifax that allows client State agencies to confirm whether an applicant-provided name and Social Security Number matches employer-provided data to quickly validate an applicant's identity.

^f Eligibility workers can request information from financial institutions to verify resources. Specialists can be consulted to determine the value of nonliquid assets.

^g Must be reported to claim income deductions

^h Hours worked must be reported only for those subject to work requirements. They must be verified for able-bodied adults without dependents subject to the time limit.

ⁱ Applies to individuals subject to the time limit for able-bodied adults without dependents

5. Eligibility Determination and Benefit Issuance

SNAP households must receive benefits within 30 days of the date of application. Upon determination of eligibility, the participant's certification period and benefit issuance begin on the date of application. Benefit amounts for the first month are prorated based on the date of application according to the following formula:

$$\text{full month's benefits} * \frac{\text{number of days in month} + 1 - \text{date of application}}{\text{number of days in month}}$$

State agencies may use 30 days as the month length or the actual number of days in the month.

Some applicants are eligible for expedited services, which require eligibility determination and benefit issuance to be completed within 7 days of application. Households qualify for expedited services if their gross income is less than \$150 per month and their assets are less than \$100, their monthly shelter bills are greater than the sum of their income and assets, or the household contains a migrant farmworker with little income or few assets.

Participants receive monthly benefits through an EBT card. Unused benefits must be expunged after 274 days, but State agencies can choose whether that timeframe applies to the benefit issuance date or lack of activity on the account. If the timeframe is tied to the date of issuance, households cannot retain benefits issued more than 274 days prior. If the timeframe is based on inactivity, State agencies expunge benefits that were issued more than 274 days prior for households inactive for at least that period of time. With this option, accounts with benefit activity may have benefits older than 274 days as long as the account is active. State agencies must notify households that they will have benefits expunged no later than 30 days before the expungement date.

Change needed. ADSEF would need to develop a standard process for expedited applications. For other applications, the 30-day processing time would need to include benefit issuance, rather than ending at eligibility determination, and benefit issuance would be prorated for the month based on the date of application (rather than the date range, as for NAP).

ADSEF would need to implement a SNAP benefits expungement policy. Nutrition assistance participants could have longer periods of inactivity and would have more time to redeem benefits under SNAP than with NAP. The timing and amount of expunged SNAP benefits would have no effect on the benefit levels of active households, as it does in NAP.

6. Certification Periods

State agencies have some flexibility in setting SNAP certification periods, but the certification period cannot exceed 12 months unless all adult household members are elderly or have disabilities. In those cases, the maximum certification period is 24 months. Federal regulations do not set a specific

certification period for households with unstable circumstances but indicate these certification periods should generally be at least 3 months.

Change needed. No change in certification periods would be required.⁴⁶

7. Process for Reporting Changes

While participants are required to report changes in their household circumstances, State agencies have a range of options in the types and frequency of reporting they require:

- ▶ **Change reporting** requires participants to report a wide range of changes in circumstance as they become known to the household.
- ▶ **Monthly or quarterly reporting** requires participants to report changes in circumstance on a set schedule.
- ▶ **Simplified reporting** requires participants to report three types of changes as they occur: when their total countable income exceeds 130 percent of the Federal Poverty Guidelines for their household size, when work hours for ABAWD participants drop below 20 hours per week, or when a member of the household wins substantial lottery or gambling winnings. Households certified for longer than 6 months must submit a periodic report confirming the household's circumstances; for households composed entirely of individuals who are elderly or have disabilities, the periodic report is required if the certification period is longer than 12 months.

Change needed. The NAP process for reporting changes is consistent with that of SNAP change reporting, so no changes are necessary aside from developing new forms for change reporting. Implementing the simplified reporting option would reduce burden on ADSEF and SNAP participants but would require creating a new periodic report form. Almost all State agencies use simplified reporting only or a combination of simplified and change reporting.

8. Recertification Process

The recertification process is similar to the initial application process; most documentation already on file does not need to be resubmitted unless changes in income or expenses exceed a certain threshold. For most households, timely applications for recertification must be submitted before the 15th of the last month of their current certification period. Timely eligibility decisions on recertifications must be rendered by the end of the certification period for most households. If the recertification is not processed on time and the State agency is at fault, the household must continue to receive benefits, and the recertification processing can be finished in the following month. If a household fails to complete an application for recertification initiated in a timely fashion, the State agency may deny the case. However, the household has the following 30 days to complete the application for recertification; benefits must then be provided retroactively to the date the application was completed. Similarly, if a household initiates an application late but within 30 days of the end of the certification period, it will still be considered an application for recertification, and the household will receive benefits prorated according to the recertification application date.

⁴⁶ ADSEF would no longer have the option to extend certification periods to alleviate high workloads without FNS approval.

Change needed. As with the SNAP certification process, the SNAP recertification process would need to consider additional information on resources, expenses, and other items. No substantial changes, however, would apply to policies related to late applications for recertification.

D. Stakeholder Feedback

The study team conducted interviews with the FNS Program Development Division Certification Policy Branch, FNS MARO Operations Branch, ADSEF central office staff responsible for eligibility and benefit issuance policy and procedures, regional office staff, and local office staff, including eligibility workers. The team also interviewed CBOs. The interviews focused on the strengths and weaknesses of NAP eligibility determination and benefit issuance processes and key considerations for a transition to SNAP. Important themes are summarized below.

Eligibility and Benefits Stakeholders Interviewed

- FNS Program Development Division Certification Policy Branch
- FNS MARO Operations Branch
- ADSEF central, regional, and local offices
- CBOs

Eligibility determination and benefit issuance. Central office staff highlighted the dedication of frontline NAP employees as one of the program’s major strengths. They also noted the important role local offices play in communities across the island, which was confirmed by community stakeholders; applicants and participants like speaking with eligibility workers in person. Even with the development of online applications, ADSEF wants to preserve the option for applicants and participants to meet with eligibility workers in person at local offices. At all levels of ADSEF, employees noted the agency’s ability to rapidly adapt to changing conditions in the wake of natural disasters and the COVID-19 pandemic. Local office staff noted online applications developed during the COVID-19 pandemic improved workflow.

In NAP, applicants often make multiple visits to their local office to submit all required documentation. Application processing could be much more efficient if applicants had all the required documentation at the first visit. If SNAP were implemented, it would be important to conduct a robust information campaign to educate the public about SNAP application requirements.

Employee recruitment and retention. Recruiting and retaining eligibility workers is one of the biggest challenges for NAP because eligibility workers are required to have a 4-year college degree, and the starting salary for the position is \$16,443 per year. While staffing shortages are common across the Government of Puerto Rico, they are particularly severe in ADSEF, where eligibility workers earn less than people with the same job title in other agencies. As a result of severe understaffing, eligibility workers have a monthly caseload of about 1,400 cases. In June 2021, ADSEF estimated an additional 400 eligibility workers were needed.

ADSEF eligibility worker salaries were most recently revised in 2003; it is unclear when salaries will be increased. In the absence of a salary increase, it is difficult for ADSEF to recruit and retain employees. The FY 2021 ADSEF budget had funding for an additional 200 eligibility workers, but only 40 had been hired as of August 2021.

Paper case files. A challenging aspect of NAP case management is that all records are stored as paper files. Even though information from paper files is entered into SAIC for certain eligibility and case management purposes, as of June 2021, ADSEF did not have a document imaging system, so the official

case file is the paper file. Paper files occupy much physical space (at times more than local offices can comfortably handle) and prevent eligibility workers from readily providing support to other local offices when needed. Paper case files can be (and have been) destroyed in natural disasters. Handling participant moves is also difficult with paper case files; an internal delivery service is used to transfer files from one local office to another, which is more burdensome and less reliable than sharing digital files.

As of June 2021, ADSEF had developed plans to transition all case files to a digital format.⁴⁷ The agency estimates it will take 1.5–2 years and cost approximately \$17 million to digitize the most recent 10 years of records. By regulation, ADSEF is required to retain closed case files for 6 years.

Infrastructure and supplies. Local office infrastructure poses a challenge for eligibility workers. Local offices have inadequate building conditions, internet access, phones, stable electricity, and office supplies. In the past several years, ADSEF has been forced to close 14 local offices and 1 regional office; staffing shortages led to office closures, and several were condemned after sustaining severe damage in the 2020 earthquakes. Lack of a proper communication infrastructure also poses a challenge for NAP applicants and participants who are often unable to reach their local office when phone lines do not work.

Technology. Although the online applications created during the COVID-19 pandemic improved workflow overall, the online system brought the need for more IT support. ADSEF staff described plans to continue implementing new technology, including a full online application, an appointment management system, and online self-service options for NAP participants to submit verifications and report changes. ADSEF also plans to create a phone line dedicated to the programs the agency administers because the 311 line does not coordinate well with local office operations and 311 operators lack NAP expertise. Community-based stakeholders caution that a move toward an online portal or other online or mobile services may hinder program access for individuals who are elderly and for other historically marginalized individuals who lack the equipment, knowledge, and/or funds to access digital services. Many CBOs have been supporting participants in accessing and navigating the online portal. ADSEF's efforts to expand online services will need to be closely monitored to understand how this affects program access for the most marginalized populations.

The biggest technology change for ADSEF in implementing SNAP would be developing new data systems for eligibility determination and benefit issuance. Among the many factors that would make it challenging to develop these systems is the need to integrate required data matches. ADSEF has had difficulty in the past establishing memoranda of understanding for NAP data verification.

Training. Extensive training would be needed for ADSEF staff on SNAP policies, processes, and data systems for eligibility determination and benefit issuance. Because ADSEF staff and applicants would be new to the process, delays should be expected in processing the initial applications.

⁴⁷ ADSEF reported plans to begin by storing recertification records digitally in August 2021.

E. Implementation Considerations

The implementation of new processes for eligibility determination and benefit issuance is contingent on many other aspects of SNAP implementation, including legislative changes, program design decisions, and the development of SNAP data systems. This section provides a brief summary of the implementation considerations for SNAP eligibility determination and benefit issuance in Puerto Rico.

1. Program Design and Planning

During the program design and planning stages, ADSEF program staff would need to make decisions about SNAP options and waivers and plan the details of implementation. Eligibility options ADSEF might consider include the following:

- ▶ BBCE, which expands categorical eligibility to households that receive noncash benefits funded by TANF or Maintenance of Effort funds and may also eliminate or raise the asset test and increase the gross income threshold
- ▶ Standard Utility Allowance, which would replace actual utility costs; may be mandatory or optional for participants⁴⁸
- ▶ Reporting requirements, which specify types of changes in circumstances participating households need to report to the State agency and the frequency of reporting those changes; State agencies commonly use simplified reporting (with households required to report only certain changes that affect their eligibility), although some State agencies require reports every month or quarter, and others require reports with every change in circumstances⁴⁹
- ▶ Certification length, which may vary with certain household characteristics (e.g., a State agency may certify households consisting entirely of individuals who are elderly or have disabilities with fixed incomes for up to 24 months; other households may be certified for only 12 months or less)⁵⁰
- ▶ Treatment of child support payments as either an exclusion from gross income or as an income expense deduction

Organizational and Operational Effects

- ADSEF could retain its current organizational structure of central, regional, and local offices.
- ADSEF could continue its in-person applications and/or the online applications it plans to implement in fall 2021.

Technical and Infrastructure Effects

- New office space may be needed to accommodate the larger eligibility worker staff.
- ADSEF would need to purchase a substantial amount of equipment and supplies to accommodate the larger staff.
- ADSEF would need to develop a new eligibility and case management system (see chapter 14).

⁴⁸ If ADSEF elects to adopt a Standard Utility Allowance, it would need to identify and analyze data on typical utility costs to establish the standard allowance.

⁴⁹ While no change is needed in reporting requirements in place under NAP, implementing the simplified reporting option would reduce burden on ADSEF and SNAP participants.

⁵⁰ While no change is needed in certification periods in place under NAP, increasing the certification period to 12 months when allowable could reduce burden on ADSEF and SNAP participants.

Common waivers ADSEF may consider include the following:

- ▶ Reinstate eligibility, which allows a State agency to reinstate the eligibility of a household without requiring a new application if the household recently became ineligible because it did not provide requested verification.
- ▶ Deny applications before the 30th day, which allows a State agency to deny an application after 10 days if a household fails to provide required verification, provided the interview has been conducted.
- ▶ Waive recertification interview for households with individuals who are elderly and have disabilities with no earned income.
- ▶ Waive the time limits on SNAP participation by ABAWDs, either within certain geographic areas or across the island.

Following program design decisions, ADSEF would need to develop a SNAP application (to collect all required information from applicants) and data systems (to verify application information, conduct data matches, support eligibility decisions, and issue benefits; see chapter 14). Data systems development is a complex process that would drive the implementation timeline. During the planning stage, ADSEF would begin the Advanced Planning Document (APD) for the development of the new data systems required for SNAP eligibility determination and benefit issuance. The eligibility determination and benefit issuance data systems would need to be ready for testing by the end of the planning phase. These systems would need to be designed according to Federal SNAP policy and the policy decisions ADSEF makes during the program design phase (see chapter 14).

ADSEF would also need to prepare policy and procedures manuals and make plans to train staff. While the NAP Plan of Operations is submitted to FNS in English, ADSEF policy and other manuals are currently written only in Spanish. ADSEF SNAP policy and other manuals would likely be developed in Spanish and then translated to English. Translation and interpretation would be required for FNS to provide materials and technical assistance to ADSEF throughout the implementation process and during ongoing SNAP operations.

The procedures for SNAP could be similar in many ways to the eligibility and benefits determinations procedures in use for NAP. As of June 2021, ADSEF planned to make improvements to these processes that could make the transition to SNAP easier. ADSEF launched a full online NAP application in fall 2021. Participants will submit documentation through the online system, and eligibility workers will follow up by email or phone as needed for incomplete applications.⁵¹ ADSEF will use a casebanking model to process applications: If an eligibility worker in an applicant's local office is available, the application will be directed there; if an eligibility worker from a different local office in the region is available first, the application will be directed to that local office to increase application processing efficiency. ADSEF also plans to move from paper to digital case files, decreasing the need for physical storage, reducing the risk of losing files or having them damaged, and making it easier to move files among offices. Beginning in August 2021, ADSEF plans to store all recertification files electronically. Paper case files will be digitized.

⁵¹ Applicants will still have the option of submitting paper applications at their local office.

2. Testing, Training, and Rollout

Most ADSEF staff would need to be trained on various aspects of SNAP eligibility determination and benefit issuance. Because the policies and tools would be complex and new to all staff members, training would need to be substantial. It is important to note that training would need to be conducted while ADSEF continues to operate NAP, which would be particularly challenging given staffing shortages at all levels of ADSEF.

In addition to changes that would likely increase the time required for eligibility workers to process each application, the implementation of SNAP would also increase the number of applications to be processed (see chapter 15), which would require an additional 550 eligibility workers (a total of 1,500). While staggering the rollout across the island could make this process more manageable than an all-at-once switch to SNAP, recruiting and retaining an adequate number of eligibility workers would be exceedingly difficult given the current salary structure. SNAP rollout would not be feasible with the recruitment and retention levels currently seen in NAP. It is also important to note that ADSEF would need to improve its office space and infrastructure (e.g., internet access, generators) to support these eligibility workers under SNAP.

Chapter 8. Program Integrity

Program integrity activities are essential to ensure appropriate use of Federal funds. If SNAP were implemented in Puerto Rico, ADSEF would continue to be responsible for maintaining program integrity but would be managing a more highly regulated program with potentially more beneficiaries and larger benefit allotments. This chapter describes the policies and procedures for maintaining program integrity in NAP and SNAP and identifies differences in program requirements. Section A provides a background of program integrity activities in the two programs, section B describes ADSEF's current processes for maintaining NAP integrity, section C presents a detailed description of SNAP integrity processes and differences between NAP and SNAP, section D presents stakeholder feedback on transitioning from NAP to SNAP, and section E describes items to consider prior to and during implementation.

Participant Program Integrity: Key Findings

- **ADSEF** would need to develop SNAP QC policies and procedures. ADSEF would need to engage a statistician to develop a QC sampling plan but could train its current NAP case review staff to conduct QC reviews.
 - Many stakeholders shared concerns about the possibility of financial penalties associated with high error rates in the years immediately after SNAP implementation. One potential strategy to minimize risk is for Congress to authorize a grace period before Puerto Rico is eligible to enter liability status.
- **ADSEF** would need to establish an agreement with law enforcement and develop procedures for referring cases for criminal prosecution.
- **ADSEF** would need to hire staff to conduct investigations related to participant fraud.
- **FNS** would need to hire bilingual Federal QC reviewers.

A. Background

ADSEF is responsible for maintaining program integrity in NAP. ADSEF engages in several activities to ensure NAP funding is spent appropriately, including reviewing a sample of participating households (active cases) and households whose participation was denied, terminated, or suspended (negative cases) to ensure eligibility and benefits are determined accurately and according to program rules; identifying, investigating, and prosecuting intentional program violations (IPVs); and conducting internal management evaluations to ensure local offices are implementing processes and procedures correctly. FNS Regional Office staff also conduct routine reviews of NAP administration. When benefit overpayments are identified through any of these activities or by other means, ADSEF files a claim against the household to recoup the benefits; recouped benefits are then redistributed to beneficiaries through the monthly adjustment process.

Similarly, State agencies are responsible for maintaining program integrity in SNAP. States ensure program integrity through the SNAP QC process, in which States review samples of active and negative cases. State agencies conduct investigations of participant fraud allegations, issue penalties and sanctions to participants found to be in violation of SNAP rules, refer cases to law enforcement as appropriate, and recoup lost benefits. State agencies also use management evaluations to conduct routine evaluations of their own policies and practices at each level of program administration. FNS Regional Office staff visit each State agency to conduct management evaluations annually; these evaluations cover program integrity across a wide range of SNAP administrative functions, with focus areas shifting from year to year as new priorities are identified. Regional Office staff also conduct re-

reviews of a subsample of QC cases, and the National Office uses QC data to calculate various measures of accuracy and timeliness.

B. NAP Processes

This section describes standard processes for maintaining NAP integrity through case reviews, fraud prevention and monitoring, local office management evaluations, and the process for recouping overpayments to beneficiaries.

1. Case Reviews

ADSEF's process for reviewing cases for accuracy in eligibility determination and benefit issuance is referred to as the Sistema de Medición de Esfuerzo y Resultados (MER, Measurement of Efforts and Results System). The Strategic Planning Division of the ADSEF Plans and Programs unit reviews 300 active and 150 negative NAP cases each quarter. The sample is selected to ensure a representative number of cases within each of ADSEF's 10 regions; MER technicians are located in the regional offices.

For active cases—those in which the households were NAP participants during the sample month—the MER technician reviews the complete case file and schedules an in-person interview with the household.⁵² During the interview, typically held in the participant's home, the technician gathers all necessary information about the household's circumstances. Next, the technician confirms certain pieces of information from collateral contacts and outside databases. Last, the technician examines the information on the household's circumstances and determines if the household was correctly deemed eligible to participate in NAP and whether the household receives the correct allotment. A MER supervisor conducts a second-party review of every case to ensure accuracy.

For a negative case—those for which participation was denied or terminated—the technician conducts a desk review of the case file without gathering additional information from the household. Technicians enter their findings into the MER system, which facilitates analysis of patterns and causes of error. When a case, either active or negative, is found to have an error, it is referred to eligibility workers in the local offices to make appropriate changes to the case. This could include reinstating an eligible household that was improperly terminated, adjusting the benefit amount, or terminating a case. In some cases, eligibility workers may need to establish claims to recoup overpayments, and some cases may be referred to the División de Integridad Programática (DIP, Division of Program Integrity), for investigation of potential program violations.

ADSEF uses the results of the MER reviews of active cases to calculate several measures within each region and for the island as a whole. These measures include the following:

- ▶ The percentage of reviews that were not completed, disaggregated into the percentage that were not completed because of lack of cooperation from the household and the percentage not completed as a result of not being able to locate the household
- ▶ The percentage of selected cases deemed not subject to review

⁵² Interviews were conducted via telephone during the COVID-19 pandemic. Prior to the pandemic, interviews were conducted via telephone for households with monthly allotments less than \$100 and households composed entirely of participants who were elderly or had disabilities.

- ▶ The percentage of completed cases found to be in error, disaggregated into the reasons for the error (ineligible for participation in NAP, overpayments, and underpayments)
- ▶ The payment error rate, defined as the absolute value of the over- and underpayment amounts divided by the total amount of benefits issued

ADSEF provides a quarterly summary of MER results to MARO. MARO selects a subsample of the reviewed cases, and a staff member from the Caribbean Area Office (CAO) conducts a re-review to ensure the review was correct.

2. Participant Fraud Prevention and Investigations

NAP regulation 8684 defines an IPV as the action of a participant who voluntarily, with deceitful intent, knowingly obtains benefits to which they are not entitled. Individuals are identified as having committed an IPV if they knowingly and with the intent to deceive did one of the following (ADSEF, 2020):

- ▶ Presented false or incorrect written statement(s) about their household's circumstances
- ▶ Presented altered documents or made a false representation
- ▶ Hid information about changes in their household's circumstances that required reporting for more than 30 days after the date of the change
- ▶ Had a claim against them for \$500.01 or more

ADSEF's strategies for preventing, detecting, and investigating participant fraud are described below.

Fraud prevention. All new NAP participants receive education about fraud in their participant orientation and must sign a form (ADSEF-106) indicating they have been informed about NAP participation rules and requirements. ADSEF also uses separation of duties to limit opportunities for fraud: At least two staff members must be involved with each eligibility and benefit determination. Typically, an eligibility worker makes the initial determination, and a supervisor approves it.

Fraud detection. Suspicious cases that may involve fraud are referred to DIP in response to allegations made to the 311 government-wide hotline, submitted to ADSEF directly, or referred to DIP by other units within ADSEF (e.g., eligibility workers, MER technicians, EBT reconciliation). Most fraud referrals come from the local offices. Matches through certain databases, such as PARIS, BENDEX, or local databases,⁵³ can also trigger fraud investigations.

Fraud investigation. ADSEF's DIP is responsible for conducting fraud investigations. DIP leadership is located in the ADSEF central offices, but investigators are located in the regional offices and focus on cases within that region. The fraud investigation may consist of interviewing the household, visiting the household's community, visiting employers or other organizations, and obtaining data from outside databases. DIP sends the results of fraud investigations to the Oficina de Asuntos Legales (Office of Legal Affairs), which determines whether fraud has been committed. The Office of Legal Affairs sends the final determination to the local office to correct the case and develop a plan for recouping funds, if necessary. During the final 3 months of 2019, DIP received an average of 300 referrals per month.

⁵³ PARIS is a Federal database that tracks participation in benefit programs such as SNAP, TANF, and Medicaid across States with the objective of supporting States in their efforts to eliminate participation in multiple States. BENDEX is a Federal database that provides data on earnings and Title 2 benefits. See chapter 14 for additional information on matching databases.

Although ADSEF has referred participant fraud cases to law enforcement in the past, the agency does not have a current agreement with a law enforcement agency. All participant fraud is handled in house.

3. Recoupment, Claims, and Disqualifications

Overpayments to NAP participants may be identified through fraud investigations, MER reviews, or recertifications. When overpayments are identified, a claim is opened against the household to recoup the excess funds. Overpayments can be recouped through one of three types of claims against participants: administrative error claim, nonintentional error claim, or intentional violation claim.

The claims and recoupment processes are the same for each type of claim. ADSEF notifies the participant of the claim, including the amount due and right to appeal the decision. Participants have 30 days to pay the full amount of the claim. Participants who are not permanently disqualified also have the option of receiving a 20 percent benefit reduction until the claim is paid in full. If the participant is an employee of local or Federal Government or a private organization, they may have the amount deducted from their paycheck. If the household does not have the financial resources to pay the claim amount, they may establish a payment plan at ADSEF's discretion. Cases that have payment plans and do not pay may be referred to the Departamento de Justicia (Department of Justice).

Participants found to have committed an IPV are suspended from the program for 1 year after the first violation, 2 years after the second violation, and permanently after the third violation. No participants have been permanently disqualified in recent years.

4. Local Office and Federal Management Evaluations

ADSEF conducts annual in-person evaluations of processes and procedures in all local offices. Prior to the evaluation, an evaluator from the Plans and Programs Unit of the central office notifies the local office of the upcoming evaluation and requests that local office workers pull a certain number of case files with a specified mix of characteristics. The evaluator then spends a day in the local office, primarily assessing whether the selected cases were processed correctly. The evaluator also assesses the physical environment to confirm that requirements such as mandatory signage have been met. After completing the evaluation, the evaluator provides the local office with a report. The local office develops a Corrective Action Plan (CAP) to address any deficiencies, and the regional office oversees the implementation of the CAP.

FNS's MARO conducts an annual management evaluation of NAP operations. During the visits for that purpose, FNS staff review NAP policies and procedures, meet with NAP staff, and conduct case file reviews. The reviews focus on a variety of topic areas, depending on the priorities identified by MARO staff. FNS staff provide a written summary of the findings from these reviews to ADSEF, and ADSEF develops a CAP for addressing any deficiencies identified.

C. SNAP Requirements and Changes Needed

This section provides an overview of SNAP policies and procedures for maintaining program integrity and a change analysis describing measures ADSEF would need to consider if SNAP were implemented in Puerto Rico.

1. QC Reviews

State agencies must conduct SNAP QC reviews following specific procedures governed by FNS and submit findings to the Federal SNAP QC System. FNS uses these findings to calculate errors and issue penalties for high error rates. State agencies with high error rates must also develop and implement CAPs to resolve identified issues. SNAP QC regulations are provided in 7 C.F.R. §§ 275.10–275.14.

a. QC review procedures

Based on specifications outlined by FNS in the *FNS Handbook 311—Quality Control Sampling*, State agencies must develop a plan for selecting a random, representative sample of active and negative cases each month. This plan must be approved by FNS. The sample is selected monthly from a frame produced by the State agency’s eligibility system. State QC reviewers, who must be merit system employees, thoroughly review each selected case for timeliness and accuracy in eligibility determination, eligibility status, and benefit allotments using procedures specified in the *FNS Handbook 310* (USDA FNS, 2021c). Active case reviews involve a review of the case file; an in-person interview with the household;⁵⁴ and verification of income, household composition, and any other elements used for eligibility and benefit determination. QC reviewers conduct a desk review of the case record for negative cases. Findings of the reviews are documented on two standard forms, the FNS-380 QC Review Worksheet and the FNS-380-1 QC Review Schedule. Many State agencies use an automated FNS-380, which performs some calculations and validates data as they are entered.

State agencies must submit their QC review findings to FNS within 115 days of selecting the sample. Findings are submitted through the web-based SNAP Quality Control System. Next, Federal QC Reviewers re-review a subsample of cases from each State agency and provide results of those re-reviews to the State agencies; State agencies can formally dispute the Federal re-reviewers’ findings and request arbitration.

Change needed. Table 8.1 shows a brief comparison of MER and SNAP QC activities. ADSEF would need to develop a QC sampling plan for selecting cases for QC review and submit the plan to FNS for approval annually. The sample selection program would pull cases from a sample frame produced monthly by the eligibility system.

Much of the review process could remain similar, but ADSEF could request a waiver of the requirement for in-person interviews for households with a monthly allotment less than \$100. ADSEF would need to submit findings to FNS through the SNAP QC System, develop procedures for providing the case files to FNS for the Federal re-review, and learn the process for disputing findings and requesting arbitration.

Although FNS currently reviews a subsample of the MER review cases, MARO would need to incorporate Puerto Rico in its standard procedures for re-reviews and have QC reviewers in place who can review Spanish case files.

Table 8.1. Comparison of MER and SNAP QC Activities

Activity	NAP MER	SNAP QC
Periodicity of the sample	Quarterly	Monthly
Number of active case reviews	1,200 per year	1,200 cases per year

⁵⁴ FNS has approved waivers of the in-person interview requirement for households that receive allotments less than \$100 in most States.

Activity	NAP MER	SNAP QC
Number of negative case reviews	600 per year	800 cases per year
Documentation of findings	MER system	Active cases: Form FNS-380, Form FNS-380-1 Negative cases: Form FNS-245
Reporting of findings	Quarterly summary of case findings submitted to Mid-Atlantic Regional Office	Monthly submission of case findings through the SNAP QC System

Note: MER = Medición de Esfuerzo y Resultados (Measurement of Efforts and Results); QC = Quality Control

b. Error calculation procedures

FNS combines the findings from State agency reviews and Federal re-reviews to calculate several measures at the national level and for each State agency:

- ▶ The **payment error rate** measures a State’s accuracy in determining a household’s eligibility for SNAP and issuing benefits in the correct amount. It is based on the difference between the benefit allotment and the amount the household would have received had the case been processed correctly and includes the absolute value of both underpayments and overpayments.
- ▶ The **case and procedural error rate (CAPER)** measures the extent to which States made determinations to deny, suspend, or terminate cases correctly. It also incorporates procedural aspects of case processing (e.g., timeliness of the decision, appropriateness of the communication with the household).
- ▶ The **QC completion rate** is the proportion of a State’s selected QC cases for which the State was able to complete the review.⁵⁵
- ▶ The **application processing timeliness rate** is the percentage of applications approved on a timely basis of all applications approved. To be included in the application processing timeliness rate, the case must have been completely processed in the fiscal year of the review.

Change needed. FNS would need to incorporate Puerto Rico in its calculations of the national payment error rate, CAPER, QC completion rate, and application processing timeliness rate and would need to produce those calculations at the State level for Puerto Rico. ADSEF could stop producing internal calculations.

c. Penalties and corrective actions

Financial penalties are issued to States with high error rates. States with error rates above a certain threshold are classified as being in liability status in the first year and are assessed penalties if they do not move out of liability status in the second consecutive year.

In addition to being assessed penalties, State agencies with high error rates or low QC completion rates must develop CAPs to address the root causes of these rates.⁵⁶ With approval from FNS, penalty funds can be invested in these efforts to correct deficiencies. CAPs must include a description of the deficiency or deficiencies targeted by the plan, methods and results of data analysis used to identify deficiencies, the magnitude and geographical extent of the deficiencies, actions already taken by the State agency to

⁵⁵ Certain cases deemed “not subject to review” are excluded from the denominator when calculating the completion rate.

⁵⁶ States must develop CAPs if they have a payment error rate greater than 6 percent, a CAPER above the national average, or a QC completion rate less than 95 percent.

correct the identified deficiencies, and a description of how progress to correct the deficiencies will be monitored. State agencies update their plans and provide findings from their progress monitoring every 6 months; the Regional Offices review and approve plans and outcomes. SNAP regulations 7 C.F.R. §§ 275.16–275.19 describe CAP requirements.

Change needed. ADSEF does not receive penalties related to program error rates for NAP. Depending on Puerto Rico’s error rates relative to other State agencies, it could be assessed penalties proportional to the caseload.

ADSEF staff are familiar with corrective action planning that result from Federal management reviews but would need to become familiar with SNAP requirements for developing these plans and monitoring the results in the context of QC reviews. While most State agencies have at least one CAP in place each year, ADSEF would not need to have a CAP in place before 1 year after SNAP implementation at the earliest.

2. Participant Fraud Prevention and Investigations

SNAP IPVs, defined in 7 C.F.R. § 273.16(c), occur when an applicant or participant makes false or misleading statements; misrepresents, conceals, or withholds facts; or commits any act that violates program rules or regulations. Detecting SNAP fraud and abuse and recouping lost benefits are top priorities for USDA. Examples of SNAP fraud follow:

- ▶ Individuals or households misrepresent their household circumstances on the SNAP application or other forms to obtain benefits for which they are not eligible (i.e., eligibility fraud).
- ▶ Benefits are exchanged for cash (i.e., trafficking).
- ▶ Recipients use their benefits to purchase ineligible items.

Fraud prevention. State agencies must provide applicants and participants with information on program rules and proper use of benefits. FNS encourages the use of client education as a cost-effective means to prevent and deter participant fraud. State agencies can produce materials for use in local offices, such as posters, informational slides on television screens, and short videos to educate clients on trafficking, EBT card management, eligible purchases, and reporting suspected fraud.

Fraud detection. State agencies use a variety of methods to monitor participant compliance and identify potential instances of fraud and abuse. State agencies must operate a fraud hotline where individuals can report instances of SNAP fraud and abuse. State agencies are responsible for investigating participants involved in cases where FNS finds retailers engaged in trafficking SNAP benefits. Other units within the State agency may refer cases for investigation if fraud is suspected as a result of certification or recertification determination, QC reviews, and management evaluation case file reviews. Routine data matching may also yield potential instances of fraud and abuse, such as identifying duplicate program participation through PARIS or failure to report a change in the household after death of a beneficiary using SSA’s Death Master File.

FNS also requires State agencies to monitor card replacement activity and issue an Excessive Card Replacement Notice to recipients who have requested excessive EBT card replacements within 12 months. If benefit trafficking is suspected, the case must be referred to the State agency’s fraud investigation unit.

Fraud investigation. State agencies are required to investigate cases of potential eligibility fraud and trafficking and to develop policies and procedures for fraud investigations. They must maintain a fraud management system, including an agreement with State law enforcement agencies to establish procedures for referring fraud cases for criminal prosecution.

As part of the fraud management system, State agencies must have a hearing process in place for participants found to have committed an IPV but not eligible for referral to law enforcement for criminal prosecution. Participants have the option of waiving their right to a hearing.

Change needed. To implement SNAP in Puerto Rico, ADSEF would need to establish a dedicated fraud hotline and an agreement with the Department of Justice or another law enforcement agency. ADSEF would need to develop internal processes for referring cases for investigation, conducting investigations, and ensuring the process for administrative disqualification hearings conforms with SNAP regulations.

3. Claims, Recoupment, and Sanctions

State agencies must initiate a claims process for overpayments greater than \$125, whether the error is an intentional or unintentional program violation or an administrative error. A claim is the amount owed to the program as a result of overpayment of benefits or benefits being trafficked. State agencies must develop a plan for establishing and collecting claims that provides orderly claims processing and results in claims collection amounts similar to those at the national level. The State agency must submit its claims management plan as part of the State Plan of Operations, and all funds recouped through the claims process are returned to the U.S. Department of the Treasury.

When an investigation results in sufficient evidence to substantiate that an individual has committed one or more IPV, the State agency should either initiate administrative disqualification procedures or refer the case for prosecution. With certain exceptions, participants are suspended from the program for 1 year after the first violation, suspended for 2 years after the second violation, and permanently disqualified after the third violation. Certain types of fraud (trafficking more than \$500; trafficking involving firearms, explosives, or controlled substances; or duplicate participation) result in longer or permanent disqualifications, regardless of whether the participant has a track record of fraud. In FY 2019, individual State agencies disqualified an average of 738 participants for eligibility fraud or trafficking, ranging from 33 participants in Wyoming to 3,019 participants in Florida (USDA FNS, 2021e).

Change needed. While NAP and SNAP have similar policies regarding recoupment of claims and disqualifications, ADSEF would need to implement stricter disqualification rules for IPV (see table 8.2) and return recouped funds to the U.S. Department of the Treasury, rather than retaining and redistributing those funds as benefits.

Table 8.2. Comparison of NAP and SNAP Disqualifications for IPV

IPV	NAP	SNAP
First IPV	Ineligible to participate for 12 months	Ineligible to participate for 12 months —or— Permanent disqualification for <ul style="list-style-type: none"> • \$500+ trafficking conviction • Trafficking involving firearms, ammunition, or explosives —or—

IPV	NAP	SNAP
		Ineligible for 24 months for <ul style="list-style-type: none"> • Trafficking involved a controlled substance —or— Ineligible to participate for 10 years for <ul style="list-style-type: none"> • Duplicate participation
Second IPV	Ineligible to participate for 24 months	Ineligible to participate for 24 months —or— Permanent disqualification for <ul style="list-style-type: none"> • Trafficking involved a controlled substance —or— Ineligible to participate for 10 years for <ul style="list-style-type: none"> • Duplicate participation
Third IPV	Permanent disqualification	Permanent disqualification

Note: IPV = intentional program violation

4. Management Evaluations and Civil Rights Compliance Reviews

Under SNAP rules, the State agency has primary responsibility to evaluate whether each of its project areas⁵⁷ are implementing SNAP in accordance with the Food and Nutrition Act of 2008, regulations, and the State agency’s State Plan. SNAP rules set a relatively prescriptive framework for how, where, and when State agencies must operationalize this internal oversight, project area by project area. State agencies use routine management evaluations to conduct this oversight, and in turn, FNS conducts management evaluations of State agency activities. Regulations related to management evaluations are provided at 7 C.F.R. §§ 275.5–275.9.

FNS requires that State agencies conduct management evaluations at the project area level. The frequency of the evaluation depends on the caseload size of the project area; larger areas must be evaluated more frequently. The topics covered by the management evaluations vary each year and are based on priorities established by FNS. FNS publishes a list of target areas prior to the beginning of each fiscal year, and State agencies must incorporate all applicable target areas into their management evaluations for the year. State agency staff conduct management evaluations of project areas in person. At the conclusion of the management evaluation, project areas use the findings to develop CAPs to address deficiencies in operations.

FNS Regional Office staff also conduct annual management evaluations of State agencies’ compliance with Federal SNAP regulations. While some components of the management evaluation, such as program access reviews, are consistent from year to year, some topics vary based on FNS priorities. FNS staff provide a written summary of the findings from these reviews to the State agencies, and the State agencies develop CAPs for addressing any deficiencies identified.

State agencies must also determine if SNAP is administered in compliance with civil rights requirements in all project areas. State agencies are responsible for examining compliance at local agencies, which in turn must examine compliance for local organizations serving as subrecipients of SNAP funds. Procedures and regulations related to civil rights compliance reviews are provided in Departmental Regulation 4330-002, Nondiscrimination in Program and Activities Receiving Federal Financial Assistance

⁵⁷ Project areas are political subdivisions designated by the State agency as the administrative unit for program operations. State agencies use different approaches in defining project areas, but one common approach is to designate project areas at the county level.

from USDA and FNS Instruction 113-1, Civil Rights Compliance and Enforcement, Nutrition Programs and Activities.

FNS Civil Rights Division, in collaboration with Regional Offices, is responsible for ensuring and monitoring State agencies' compliance with civil rights laws and USDA regulations. The FNS Civil Rights Division regional staff routinely provide training and technical assistance to State and local agencies on topics of compliance and policy. Any State or local agency administering SNAP must be deemed in compliance with civil rights requirements prior to approval for Federal financial assistance. This determination takes place during a Preapproval/Preaward Compliance Review. Postaward or Routine Compliance Reviews are conducted by the FNS Civil Rights Division, the Regional Office, State agency, or local agency to evaluate compliance with civil rights law, regulations, policies, instructions, and guidance. The office conducting the compliance review must provide a written summary of findings and recommendations to the reviewed entity. Any instances of noncompliance, if not resolved voluntarily through corrective measures, may lead to termination of Federal financial assistance.

Change needed. ADSEF would need to define SNAP project areas during its planning for management evaluations and update its evaluation processes and materials to be consistent with SNAP requirements. This would require flexibility to meet FNS's requirements to include certain topic areas each year.

Instead of conducting management evaluation reviews specific to NAP, MARO would conduct the same type of management evaluation reviews it conducts for State agencies. The extent of the changes for ADSEF would depend on the specific topic areas of the reviews.

ADSEF would need to prepare for an FNS Civil Rights Compliance review and ensure civil rights requirements are incorporated in State agency management evaluation reviews at the local and subrecipient levels to provide oversight.

D. Stakeholder Feedback

Maintaining program integrity would require coordination between FNS and ADSEF. The study team conducted interviews with the FNS Program Accountability and Administration Division QC Branch and State Administration Branch; FNS Program Development Division Program Design Branch; MARO Operations Branch and Integrity Branch; and ADSEF central and regional office staff responsible for program integrity. Discussions focused on NAP and SNAP requirements, potential challenges to maintaining program integrity associated with implementing SNAP in Puerto Rico, and possible strategies for addressing those challenges. Key themes follow:

Staffing. Both ADSEF and FNS stakeholders expressed concern about ADSEF's staffing levels for program integrity work. For ADSEF, these concerns were strongest with respect to participant fraud investigations. As of the time of data collection, ADSEF's investigators had a backlog of cases, with the number of cases referred for investigation exceeding the available staff to conduct those investigations. If Puerto Rico were to implement SNAP, the expanded eligibility pool and new program rules could increase the number of

Program Integrity Stakeholders Interviewed

- FNS Program Accountability and Administration Division QC Branch and State Administration Branch
- FNS Program Development Division Program Design Branch
- MARO Operations Branch and Integrity Branch
- ADSEF central office staff
- ADSEF regional office staff

cases referred for investigation and the time needed to complete an investigation. ADSEF would need to assess staffing levels carefully and would likely need to expand DIP staff.

Bilingual Federal program integrity staff. Some FNS respondents identified the language gap as a possible challenge to SNAP implementation. Although FNS would expect to provide extensive training to ADSEF’s program integrity staff on requirements and best practices for maintaining SNAP integrity, FNS has limited staff with both program integrity subject matter expertise and fluency in Spanish. This challenge would need to be addressed to ensure ADSEF meets expectations of FNS for program integrity. Similarly, FNS staff would need to conduct reviews of a subsample of Puerto Rico’s QC cases. Because these casefiles would be largely maintained in Spanish, FNS would need QC staff with sufficient Spanish-language fluency to read the casefiles.

“There will be computer system challenges, there will be sampling challenges, they will get things wrong. ... Because that’s what happens. ... And that’s why I think that the first couple of years it would be important for [ADSEF] to get their feet wet in administering SNAP by the rules before they are held liable for how well they’re doing.”

—FNS stakeholder

QC liability. Several stakeholders expressed concern about the potential for high rates of error in Puerto Rico during the early years of SNAP administration and the likely outcome that Puerto Rico could be assessed financial penalties for those error rates. One potential solution would be for Congress to authorize a grace period of several years before Puerto Rico becomes eligible for penalties. This grace period would provide time for ADSEF’s eligibility workers and supervisors to learn from early mistakes and improve their accuracy. Similarly, the grace period would help SNAP applicants and participants in Puerto Rico become more familiar with program requirements. Finally, the grace period would help MARO Federal QC reviewers provide extensive training to ADSEF’s QC reviewers based on challenges specific to completing accurate QC reviews in Puerto Rico.

E. Implementation Considerations

This section provides a brief summary of the implementation considerations for SNAP integrity in Puerto Rico.

1. Program Design and Planning

Early in the implementation process, ADSEF leadership would need to become familiar with SNAP requirements for participant fraud prevention, QC, and management evaluations. ADSEF’s general structure and processes for maintaining program integrity could remain similar if Puerto Rico were to implement SNAP, but ADSEF and FNS would need to take several preparatory steps. For fraud prevention and monitoring, ADSEF would need to establish an agreement with law enforcement for the criminal prosecution of some fraud cases and develop internal procedures for referring cases to law enforcement. ADSEF would also need to develop a dedicated fraud reporting hotline. For SNAP QC, ADSEF would need to develop a QC sampling plan and a QC policy and procedures manual. ADSEF would also need to obtain access to the SNAP QC System and either the automated FNS-380 or a similar tool.

2. Staffing and Training

ADSEF and FNS program integrity staff would need extensive training in the SNAP certification and benefit issuance policies and procedures that would be established in Puerto Rico because the ability to identify program violations hinges on in-depth understanding of program rules. Program integrity work would begin as soon as Puerto Rico begins rolling out SNAP, but there would be a substantial overlap period when ADSEF and FNS would be overseeing the integrity of both NAP and SNAP. ADSEF's investigators would need to complete all NAP cases referred for investigation before ceasing work on NAP and focusing exclusively on SNAP.

ADSEF and FNS may both need to consider hiring additional staff for program integrity work. ADSEF's MER staff size is similar to many State agencies' QC teams. However, QC reviews during the early years of SNAP may take longer than is typical in the State agencies because reviewers will still be learning the program rules and procedures and eligibility workers and households may make many errors because of unfamiliarity with the program. To address this challenge, ADSEF may need to increase its program integrity staff to conduct QC reviews.

ADSEF's staffing needs for management evaluations would depend on the agency's decisions about defining project areas. If ADSEF opts to define project areas at the local level or by municipality, rather than at the regional office level, additional staff to conduct management evaluations would also be needed. Finally, ADSEF may need additional staff to conduct fraud investigations.

MARO would also need to increase QC staff to conduct re-reviews for Puerto Rico and ensure the office has at least two Federal QC reviewers who can read case files in Spanish.

Organizational and Operational Effects

- ADSEF's general organizational structure for program integrity could stay the same, but ADSEF would likely need to hire additional staff to conduct participant fraud investigations.
- ADSEF would need to establish an agreement with a law enforcement agency such as the Department of Justice and procedures for referring cases for criminal prosecution.
- MARO would need to ensure at least two Federal QC reviewers on staff speak Spanish.

Technical and Infrastructure Effects

- ADSEF would need to establish a dedicated hotline for reports of participant fraud.
- ADSEF would need to obtain access to the SNAP QC System and either the automated FNS-380 or a similar tool.

Chapter 9. Retailer Authorization and Management

If SNAP were implemented in Puerto Rico, all retailer responsibilities would shift from ADSEF to FNS. This chapter describes the changes required for this transition. Section A provides background on retailer authorization and management in NAP and SNAP, section B describes current NAP processes, section C describes the SNAP processes and changes needed, section D provides stakeholder feedback on the NAP processes and the potential transition to SNAP, and section E provides considerations for implementing SNAP retailer authorization and management.

Retailer Authorization and Management: Key Findings

- Most **NAP retailers** would be expected to participate in SNAP. For many retailers, a transition to SNAP would have little effect. Other retailers may need to make changes to their businesses to meet SNAP requirements, such as adjusting the foods they stock.
- For **ADSEF**, a transition to SNAP would present a substantial reduction in responsibility but require little change in personnel; the few ADSEF staff responsible for retailers could be transitioned to other roles.
- **FNS** would be responsible for authorizing and monitoring approximately 3,000–3,200 retailers in Puerto Rico and would need to accommodate a retailer population that predominantly speaks Spanish.

A. Background

NAP retailer inspections and authorizations are carried out by ADSEF's Oficina de Inspección y Certificación (OIC, Office of Inspection and Certification), and monitoring and fraud investigations are conducted by ADSEF's DIP. These groups oversee the 3,000–3,200 retailers authorized for NAP. If SNAP were implemented, these responsibilities would shift entirely to FNS, which handles all retailer management activities through the Office of Retailer Operations and Compliance (ROC) and the Retailer and Issuance Policy and Innovation Division (RIPID). ROC has primary responsibility for authorizing and managing retailers, including conducting undercover investigations, building compliance cases against retailers when the situation requires, and sanctioning retailers. RIPID is responsible for developing retailer policy; developing and maintaining the data systems, processes, and contracts used in the ongoing authorization and monitoring of retailers; managing EBT issues; and performing administrative reviews of retailer appeals.

B. NAP Processes

NAP retailer processes are governed by regulation 8857. This section describes how retailers are authorized to accept NAP benefits, how they are monitored for compliance with NAP rules, and how fraud cases are handled.

1. Retailer Applications for Authorization and Reauthorization

All retailers other than farmers submit paper applications for NAP authorization to OIC by mail or in person, with approximately 30 required documents and pictures of their establishment. Applicants pay an application fee of \$70. ADSEF registers all applications in the Sistema para la Determinación de Elegibilidad de Comercios (Retailer Eligibility Determination System), its retailer data system. ADSEF also maintains a paper file for each retailer. Family Markets are farmers' markets jointly operated by ADSEF

and the Puerto Rico Department of Agriculture in locations throughout the island. Farmers wishing to be authorized to participate in Family Markets apply through the Puerto Rico Department of Agriculture.

The reauthorization application for retailers, which must be completed every 2 years, requires only submission of an updated application form when changes to the business have not yet been reported. Retailers are required to provide written notice to OIC of all changes to their business (e.g., store name, phone number) within 15 days of a change. Regardless of the need to submit an updated application form, retailers must submit updated versions of all the documents required for the initial authorization plus documentation of sales. Retailers must send their documents for reauthorization 30 days before the expiration of their current authorization.

ADSEF OIC staff are required to conduct an inspection of the retail location at authorization, at reauthorization, yearly, and at any other time as deemed necessary. As of June 2021, ADSEF had two staff members responsible for conducting all retailer inspections. When an inspection cannot be conducted within 30 days of the application for authorization or reauthorization, ADSEF grants a temporary authorization until the inspection is conducted. Retailers include pictures of their establishment with their application, which helps OIC with such temporary authorizations.

2. Retailer Eligibility Determination

To be authorized for NAP, at least 50 percent of the retailer's food inventory must be staple foods, defined in NAP as vegetables, fruits, and fruit and vegetable juices; dairy; meat, poultry, and/or fish; and bread, bread products, and/or cereals. OIC reviews other characteristics of the retailer described in the application, supporting documents, and the inspection report to render its authorization decisions. These other characteristics include, for example, the business integrity of the applicant (e.g., criminal and civil record of the owner of the establishment, violations of NAP retailer regulations in any former commercial establishment belonging to the applicant, tax obligations of the applicant). Approximately 20–25 percent of authorized NAP retailers have more than one type of business on the premises (e.g., a gas station and a market). ADSEF considers only the portion of the business that sells food when making eligibility determinations.

ADSEF notifies retailers of the results of their application for authorization or reauthorization within 30 days by mail or email. Notifications of authorization are accompanied by a Point of Sale (POS) letter, which enables authorized retailers to receive POS terminals to accept EBT. POS terminals are available from several banks.

ADSEF provides retailers a copy of the retailer regulation as part of the authorization process. Retailers sign a document stating they have received a copy of the regulation and are responsible for ensuring all their employees abide by the regulation.

Retailers can appeal denied applications before the Junta Adjudicativa del Departamento de la Familia (Adjudicative Board of the Department of the Family). During a hearing before the Adjudicative Board, retailers (or frequently, their lawyers) present evidence in support of their position. ADSEF's legal counselors act on behalf of the agency during the appeal process and present their evidence. The president of the Adjudicative Board and a panel of three judges make final determinations. If the retailer appeals that determination to the judicial system, the president of the Adjudicative Board works with the Puerto Rico attorney general.

3. EBT Transactions

NAP participants use an EBT card to redeem their benefits at authorized NAP retailers, including Family Markets. The NAP POS terminal is typically separate from the cash register system and produces a separate receipt, which the retailer is required to provide to customers. Retailers pay a monthly fee for each POS terminal and a fee for each EBT transaction.

EBT benefits may be used to purchase eligible items, defined in regulation 8857 as follows:

- ▶ Any food or food product for human consumption that is not prepared (alcohol, tobacco, hot foods, and foods for immediate consumption without nutrition facts are ineligible)
- ▶ Food prepared and/or served by certain providers (e.g., homeless shelters)
- ▶ Plants and seeds to grow food for personal or family consumption
- ▶ Prepared foods and food products for immediate consumption with nutrition facts

ADSEF has contracted with Evertec to manage EBT system maintenance and operations (see chapter 14). To ensure EBT transactions occur only in authorized NAP retailers, OIC sends Evertec a file every business day with a complete list of authorized retailers. ADSEF draws against its letter of credit to fund NAP benefits through the Automated Standard Application for Payments (ASAP), the Federal system that runs letters of credit.

4. Retailer Fraud Detection and Investigation

To maintain program integrity, ADSEF has several methods for detecting potential retailer fraud:

- ▶ Call center (311)
- ▶ Letters and calls to the ADSEF central office
- ▶ Evertec referrals based on analysis of transaction data and reports of suspected fraud made through its phone line
- ▶ Referrals from FNS sent every 3 months
- ▶ ADSEF monitoring of EBT transaction data
- ▶ Random undercover field investigations

DIP hires contracted staff to conduct undercover field investigations, with investigators attempting to buy at least three ineligible items with NAP benefits. Retailers are selected randomly for these undercover field investigations. As of June 2021, 1 investigator led about 50 to 60 investigations each month; 2 others were in training. ADSEF issues a monthly report of investigation findings.

Suspected fraud is ultimately referred to ADSEF's DIP, which investigates the cases. When suspicious transactions are identified, DIP requests a meeting with the retailer to determine if there has been fraudulent activity. When the suspected fraud is substantial, DIP requests that OIC suspend NAP authorization prior to the meeting. During the meeting, lawyers contracted by DIP present the suspicious transactions identified and the retailer explains why they occurred. A determination is then made about any program violations, and fines and authorization suspensions are issued accordingly.

Following the meeting with DIP, ADSEF sends the retailer a notification describing fraud charges and the associated sanctions by mail, certified mail, and email. Retailers can request fine reductions and payment plans. Retailers can also appeal the charges with the Adjudicative Board of the Department of the Family.

C. SNAP Requirements and Changes Needed

SNAP retailer processes are governed by 7 C.F.R. §§ 278–279 and provisions in the USDA Domestic Food Assistance Programs FY 2020 Appropriations. This section describes how retailers are authorized to accept SNAP benefits, how they are monitored for compliance with SNAP rules, how fraud cases are handled, and how these processes differ from those of NAP.

1. SNAP Retailer Applications for Authorization and Reauthorization

Retailers file applications for SNAP authorization and upload required documents online. While most applications are submitted online, paper applications are available.

All retail stores are required to have their eligibility re-reviewed or reauthorized at least once within 5 years of becoming a SNAP retailer. Retailers considered high risk may be required to apply for reauthorization more frequently. Retailers provide updated documentation and information, including sales and inventory information, through the FNS online application site.

For most stores, the Retail Operations Branch (ROB) within ROC will order a store visit to obtain pictures of the store for authorization and reauthorization. Several variables determine if a store visit is necessary, but as an example, superstores and supermarkets may not be visited consistently if ROB determines there is no inventory issue at these types of stores. Store visits are conducted by contractors hired by FNS. Contractors typically have 10 days to complete the visit and provide the results to FNS.

Change needed. As of August 2021, the Spanish SNAP retailer application was available only on paper. If FNS moves toward entirely online interactions with retailers, it would be important to develop an online version of the Spanish retailer application. Under SNAP, retailers could expect several changes; for instance, they would no longer be required to report all changes to their businesses during authorization periods. FNS would need to clarify which documents retailers must provide when applying for authorization and reauthorization, which likely would differ from the approximately 30 documents required for NAP retailers. For most retailers, reauthorization would be required every 5 years instead of every 2 years.

FNS would need to expand its retailer inspection contract to cover Puerto Rico. In the Virgin Islands, ROC ROB has allowed 30 days rather than 10 days from the time applications are filed to accommodate travel time for the store visit vendor. Unless inspectors are located in Puerto Rico, the 30-day allowance would likely be used there.

2. SNAP Retailer Eligibility Determination

A contractor with Spanish-speaking staff hired by FNS is responsible for accepting the application and documentation from retailers prior to review by FNS. Once documents are received with the application, the application is assigned to ROB. If additional documents are needed, ROB will issue a request for information and provide the retailer between 10 and 30 days to respond. Retailers are asked to provide

this information at a retailer service center or electronically. ROB has 45 days to complete the process after a completed application is received, not including any time retailers take to respond to a request for additional information.

In reviewing retailer applications, ROB uses retailer risk levels to determine the level of vetting a store must undergo to determine initial or continued eligibility to participate in SNAP as an authorized retailer. ROC designates retailers applying for authorization or reauthorization as low, medium, or high risk based in part on the history of the store's owner(s)/officer(s), location of store, and other information included with the retailer's application. High-risk retailers are subject to additional scrutiny.

ROB enters all information in the SNAP Store Tracking and Redemption System (STARS), the eligibility system for the SNAP retail program. STARS runs various "matches" to search for disqualified retailers or stores, and ROB must analyze the application, documentation, and information from STARS to render an eligibility decision. An automated system, Send Word Now, is used to send notifications to retailers. Once authorized, retailers are instructed to review SNAP materials and educate their staff.

The Administrative Review Branch, located within RIPID in FNS headquarters, is responsible for performing the final administrative review of retailer appeals regarding actions to deny, withdraw, or disqualify the retailer from SNAP. Retailers wishing to appeal an administrative action or penalty must submit a request for an appeal directly to FNS's Administrative Review Branch by mail or email. Retailers have 10 days after notification, which includes the deadline and instructions on filing the appeal request, to file for administrative review. An FNS administrative review officer then reviews the case and makes the final agency decision.

Retailers may appeal the final agency decision within 30 days through the U.S. district court in the region in which they reside or engage in business. The FNS Administrative Review Branch is responsible for preparing the administrative record for cases that go to judicial review. This work is currently conducted in English.

Change needed. FNS anticipates ROB would require additional staff members for authorization and reauthorization of retailers in Puerto Rico. Consideration would be given to hiring staff bilingual in English and Spanish to ensure FNS could meet customer service and service delivery expectations. The workload for FNS would likely be highest for the initial wave of retailer applications, although the quantity of applications at any one time would depend on the precise rollout strategy for SNAP.

FNS would need to determine retailer risk level in Puerto Rico by reviewing data on retailers in Puerto Rico from NAP, WIC,⁵⁸ and other sources to determine what, if any, information can be used to assess risk for the initial round of SNAP applications. Over time, with the collection of data on SNAP retailers in Puerto Rico, FNS could apply the approach used in the State agencies for assessing retailer risk in Puerto Rico.

FNS would need to update Send Word Now to deliver notifications to retailers in Puerto Rico. All notifications would need to be translated to Spanish. As retailers in Puerto Rico are authorized for SNAP, FNS would need to add them to STARS and the SNAP Antifraud Locator EBT Retailer Transactions (ALERT) database.

⁵⁸ The Puerto Rico WIC program would need to revise its requirement for retailer authorization that retailers are first authorized to accept NAP benefits.

SNAP retailer requirements and considerations would replace NAP retailer requirements (table 9.1). Many of the program requirements are similar (e.g., staple foods have the same definition). However, there are differences, such as the option in SNAP to meet stocking requirements based on staple food variety. A potentially important difference between NAP and SNAP retailer eligibility determination is the approach to colocation of the food store with other businesses. Retailers would need to be informed of these differences with enough time to make any changes needed to be eligible for SNAP. Training and other supports may facilitate this process for retailers.

Table 9.1. NAP and SNAP Retailer Stocking Requirements and Eligibility Considerations

NAP	SNAP
<p>Stocking Requirement</p> <ul style="list-style-type: none"> ✓ At least 50 percent of the food for sale must be staple foods (vegetables, fruits, and fruit and vegetable juices; dairy; meat, poultry, and/or fish; bread, bread products, and/or cereals) 	<p>Stocking Requirement</p> <ul style="list-style-type: none"> ✓ Staple food sales exceed 50 percent of total gross retail sales —or— ✓ Have at least three stocking units of at least three varieties for each of the four staple food categories (fruits or vegetables; dairy; meat, poultry, or fish; breads or cereals) on a continuous basis, including at least three stocking units of at least one perishable staple food variety in at least two staple food categories
<p>Considerations</p> <ul style="list-style-type: none"> ✓ Need for access: how difficult it would be for NAP participants to obtain eligible foods if the retailer is not authorized, authorized retailers near the applicant ✓ Restaurants: with very few exceptions, NAP participants are not allowed to redeem benefits at restaurants ✓ Co-location: a given business can have more than one type of operation in a single location (e.g., gas station and market); ADSEF considers only the portion of the business that sells food ✓ Reported sales ✓ Business integrity and reputation of the applicant 	<p>Considerations</p> <ul style="list-style-type: none"> ✓ Need for access: stores that do not meet stocking criteria still considered for authorization if in an area where SNAP clients have significantly limited access to food ✓ Restaurants: with very few exceptions, SNAP participants not allowed to redeem benefits at restaurants ✓ Co-location: When multiple firms operating at the same location meet certain elements, FNS will consider them a single firm when determining eligibility ✓ Volume of EBT business FNS may reasonably expect the firm to do ✓ Business integrity and reputation of the applicant

Note: ADSEF = Administración de Desarrollo Socioeconómico de la Familia (Administration for the Socioeconomic Development of the Family); EBT = electronic benefit transfer

The process for retailer appeals would shift from the Adjudicative Board of the Department of the Family to the FNS RIPID Administrative Review Branch. As of August 2021, FNS had no Spanish-speaking administrative review officers; one to two bilingual administrative review officers would be required if SNAP were implemented in Puerto Rico. Because administrative records can be lengthy, FNS may need to have a contractor handle translation for cases that go to judicial review.

3. SNAP EBT Transactions

Participants redeem benefits at a retailer authorized by FNS by using their EBT cards at an integrated electronic cash register system or a stand-alone POS terminal. As of 2014, most retailers were expected to provide their own equipment and service to accept SNAP benefits. Retailers need access to power

and phone or internet service to perform EBT transactions. Roadside or mobile vendors without access to a power source or a landline can use mobile POS devices that operate over cellular networks. During EBT systems outages, retailers may also use manual vouchers with a cell phone to authorize transactions.

EBT benefits may be used to purchase eligible items, which include—

- ▶ Any food or food product intended for human consumption except alcoholic beverages, tobacco, and hot foods and hot food products prepared for immediate consumption
- ▶ Food prepared and/or served by certain providers (e.g., homeless shelters)
- ▶ Seeds and plants to grow foods for the personal consumption of eligible households

POS systems transmit SNAP transaction data directly to an EBT processor for approval and processing. State agencies are responsible for securing a contractor for EBT processing. States send data on benefit issuances and expungement to the EBT processors so they know how much SNAP participants have available for purchases. To make a transaction, cardholders enter a private four-digit PIN that serves as an electronic signature and validates that the cardholder has access to the account's benefits. Because transactions are processed electronically, the settlement (payment) process to the retailer is also electronic. Under SNAP, funding for the payment of benefits is maintained by the U.S. Department of the Treasury. State agencies access SNAP benefit funds through the Account Management Agent (AMA), the Federal Reserve Bank system that coordinates among the Federal Reserve Bank, the EBT processors, and ASAP for SNAP benefit issuance. EBT processors are required to ensure SNAP benefits can be used in all States and territories with SNAP (i.e., interoperability), regardless of where the benefits were issued.

EBT processors settle transactions based on a 24-hour period, with the processor calculating the transactions successfully completed and eligible for settlement. Each business day, the processor either accesses or has the State agency access the Federal ASAP system to transfer daily settlement funds from the U.S. Department of the Treasury to the EBT processor's financial institution. The EBT processor's financial institution transfers funds via the automated clearinghouse to the third-party processors or banks that provide POS transaction processing services to the retailers. These entities then settle the transaction amounts to the retailers' bank accounts via the automated clearinghouse. Retailers are generally paid the next banking day following the completion of the defined 24-hour period. If a retailer uses the same provider/financial institution for EBT as for credit and debit transactions, the retailer's EBT settlement is added to the credit and debit settlement amount with appropriate reporting to support reconciliation of the different tender types. If a retailer uses a POS device that supports only EBT, the settlement amount is for only the EBT transactions from that device.

The Retailer Electronic Data Exchange (REDE) interface was developed to facilitate the exchange of retailer data between FNS and EBT processors. The EBT processor for each State agency is required to pick up the REDE file from FNS each day. This file provides data to the EBT processor about newly authorized, withdrawn, or disqualified retailers so that only approved retailers are allowed to process SNAP EBT transactions. In return, EBT processors are required to send FNS transaction data daily. These data are maintained in the SNAP ALERT database.

SNAP reconciliation is automated. The eligibility system typically compares original issuance data to redemption, void, and expungement data from the EBT system to determine the final disposition of all benefits. The EBT system provides reporting and summary data to validate daily payments to retailers and reconcile the system balance. SNAP staff research any identified discrepancies.

Change needed. Although no changes would need to be made to the types of purchases that can be made with nutrition assistance benefits, ADSEF would need to develop a new EBT data system to meet SNAP requirements and interact with the new SNAP eligibility system (see chapter 14).

ADSEF accesses NAP benefits funds through ASAP. Under SNAP, benefit funds would move through AMA. FNS has extensive experience making the changes that would be required on the Federal side because it follows the same process for a change in a State agency's EBT processor. Large EBT processors are familiar with AMA and working with the Federal Reserve. If ADSEF works with one of those processors, the processor would be able to lead the Puerto Rico side of this work.

Puerto Rico's SNAP EBT processor would need to ensure it can accept the REDE file from FNS and provide EBT transaction data to FNS daily. Several EBT processors, including ADSEF's NAP EBT processor as of 2021,⁵⁹ maintain these functions for SNAP State agencies. If ADSEF contracts with the same EBT processor for SNAP as for NAP, the same POS terminals could be used. Otherwise, new POS terminals would be needed.

All State agencies' EBT processors would need to update their systems to ensure interoperability (i.e., SNAP benefits issued in Puerto Rico could be used in all other States and territories with SNAP and vice versa).

4. SNAP Retailer Fraud Detection and Investigation

FNS uses STARS for all retailer management functions, including fraud detection and investigation. The system includes retailers certified for participation and those who apply but are denied certification. STARS is used to track all information on retailer applications, participation, authorization, investigations, and store redemption (daily deposit) activity. FNS maintains the ALERT database to keep records of all EBT transactions received from each EBT processor.⁶⁰ ALERT and STARS exchange data through daily batch jobs: ALERT helps to detect fraud by identifying problematic patterns in EBT transactions combined with retailer characteristics recorded in STARS, and STARS notifies ROC personnel of retailers ALERT has identified as requiring further attention. ROC staff also have access to State agency EBT systems, which capture more information than is stored in ALERT.⁶¹

When potential retailer fraud is identified, the case is referred to either the ROC Investigative Analysis Branch or the ROC Special Investigations Unit, depending on the type of investigation needed. The Special Investigations Unit conducts undercover investigations related to retailer fraud and coordinates investigative activities with other Federal entities (including the USDA Office of Inspector General). The Investigative Analysis Branch conducts "paper" investigations based on tips reported to fraud hotlines and suspicious patterns identified in transaction data. Cases are documented in STARS. Charge letters and other communications are delivered by FNS program specialists, largely through tracked mail. Charge letters are currently only in English.

⁵⁹ As of 2021, FIS Global is a subcontractor to Evertec; jointly, these companies handle benefit issuance and EBT processing for NAP. FIS Global also holds contracts to process EBT transactions for SNAP.

⁶⁰ ALERT helps FNS identify potential retailer fraud by monitoring EBT transactions for problematic patterns. Suspicious retailers are assigned to a watch list for further examination, and such stores are targeted for either (1) onsite investigations or (2) a detailed transaction analysis by a compliance specialist to determine if there are sufficient anomalous transactions to support a trafficking charge.

⁶¹ State EBT systems provide ROC with more EBT transaction information than is supplied through the ALERT system. As an example, State systems can indicate the month of issuance for the benefits used for a SNAP EBT purchase. State systems also provide ROC with more details regarding SNAP households that can be useful in developing potential compliance cases, including recipient's addresses or how many times they have requested their SNAP EBT card(s) be replaced and over what period.

Change needed. FNS would use its current processes and ALERT and STARS to monitor retailers in Puerto Rico after making updates to those systems to include stores and transactions there. FNS would need to expand its contract for undercover retailer investigations to include Puerto Rico. FNS anticipates it would also need more staff in the ROC Case Screening Branch to review allegations of SNAP violations and perform EBT data analysis and more staff in the ROC Investigative Analysis Branch to handle administrative actions regarding violative activity. FNS would also need to translate all notifications to Spanish and update Send Word Now to deliver notifications to retailers in Puerto Rico.

Because NAP retailer and participant fraud work are overseen by the same ADSEF division, there is little barrier to sharing information. If SNAP were implemented, FNS and ADSEF would need to coordinate to investigate participants involved in cases where FNS finds retailers engaged in trafficking SNAP benefits.

5. SNAP Retailer Violations and Sanctions

FNS has strict penalties for SNAP retailers found to be in violation of SNAP rules, ranging from a warning to fines, temporary disqualification, or permanent disqualification from SNAP participation. Selected NAP and SNAP retailer violations and sanctions are listed in table 9.2. If an FNS investigation indicates a retailer has engaged in trafficking, FNS notifies the USDA Office of Inspector General, which has the option to pursue the case as a criminal investigation with potential for criminal prosecution or return the case to FNS for administrative action. Possible penalties for failure to comply with SNAP rules include fines of over \$120,000 for each violation, criminal prosecution and jail time, disqualification from SNAP participation, referral to the IRS for further investigation, and loss of other licenses (e.g., State lottery, alcoholic beverage sales licenses).^{62, 63}

Change needed. SNAP retailer violations and sanctions would apply to retailers in Puerto Rico. Retailers would be encouraged to pay civil money penalties online.

Table 9.2. Selected NAP and SNAP Retailer Violations and Sanctions

Violation	NAP Penalty	SNAP Penalty
Trafficking	Exchanging cash for NAP benefits results in a fine of \$3,000–\$6,000	Buying or selling SNAP benefits for cash or items other than eligible food results in permanent disqualification and/or penalty of up to \$15,877 for each violation; penalties will not exceed \$63,509 for all violations during single investigation
Sale of ineligible items (in exchange for benefits)	Sale of ineligible nonfood items (e.g., alcoholic beverages, tobacco, hot foods, foods prepared for immediate consumption with no nutritional facts, personal hygiene items, household cleaning items) results in fine of \$500–\$3,000 per item sold	Sale of firearms, ammunition, explosives, or controlled substances in exchange for benefits results in permanent disqualification or penalty of up to \$15,487 for each violation; penalties will not exceed \$63,509 for all violations occurring during single investigation
	Sale of alcoholic beverages, tobacco, pornographic material, or lottery	Sale of cigarettes, tobacco, alcohol, or expensive nonfood items may result in 3-

⁶² FNS may disqualify retailers from program participation. Other penalties are outside the purview of FNS and may occur as a result of criminal prosecution.

⁶³ Retail owners and operators are held legally responsible for actions of all employees working in their stores; owners and operators are responsible for keeping their employees well trained and up to date on all SNAP rules.

Violation	NAP Penalty	SNAP Penalty
	tickets with NAP funds results in fine of \$3,000–\$6,000 ^a	to 5-year disqualification period or equivalent civil money penalty; claim may also be assessed Regular sale of common ineligible nonfood items results in 6-month to 3-year disqualification or equivalent civil money penalty; claim may also be assessed
Store with SNAP benefit redemptions exceeding its food sales for specified period	No penalty specified	May be disqualified for 3–5 years
Accepting SNAP benefits without authorization or after effective date of disqualification	No penalty specified	Fine of \$1,000 for each violation, plus an amount equal to three times value of illegally accepted SNAP benefits
Providing false or incomplete information	Committing fraud results in permanent disqualification. Fraud is defined as submitting false documents or information to ADSEF; action of store owner or operator directed to breach any administrative penalty imposed by ADSEF; using POS anywhere outside physical address of authorized store; any act or omission by store owner, operator, employee, or agent or representative that could mislead ADSEF; or any act or omission by store owner, operator, employee, or agent or representative directed to repeatedly and/or intentionally breach provisions of regulation 8857	Knowingly submitting information on application containing false information of substantive nature that could affect eligibility for authorization in program results in permanent disqualification
Subsequent violations	Second violations result in disqualification up to 6 months; third violations result in disqualification up to 12 months; fourth violations result in permanent disqualification	Period of disqualification doubled for second violation; for third violation, penalty is permanent disqualification

Note: ADSEF = Administración de Desarrollo Socioeconómico de la Familia (Administration for the Socioeconomic Development of the Family); POS = point of sale

^a Regulation 8857 specifies a \$3,000–\$6,000 fine for the sale of alcohol and tobacco but also includes alcohol and tobacco in the definition of “ineligible articles” that carry a \$500–\$3,000 fine.

D. Stakeholder Feedback

The study team conducted interviews with FNS ROC and RIPID, ADSEF OIC and DIP, the Adjudicative Board of the Department of the Family, Puerto Rico Department of Agriculture, authorized retailers, and retailer organizations. Discussions focused on retailer certification processes, retailer monitoring, and retailers' experiences with NAP. The main themes of these interviews appear below.

Support for transitioning to SNAP. Nutrition assistance is a critical part of food retailers' business in Puerto Rico, and all retailers interviewed voiced their plans to participate in potential SNAP implementation. Both large and small retailers were supportive of the changes that shifting to SNAP would entail, such as the move to an online application and increased nutrition assistance benefits. They recommend a multichannel informational campaign to inform all retailers about SNAP, including in-person meetings and media communication. Retailer organizations could support these efforts.

EBT transactions. Participants and retailers are accustomed to using EBT for all transactions with NAP benefits, as would be required with SNAP.⁶⁴ Retailers are also prepared to conduct EBT transactions in the absence of reliable power because they typically have generators that enable them to conduct EBT transactions during a power outage. At Family Markets and other mobile markets (e.g., roadside vendors), battery-powered POS terminals are used. The retailers interviewed said telecommunications outages were not a major challenge. Large retailers have multiple telecommunications systems to ensure EBT transactions continue if an outage in one system occurs. Some small retailers interviewed reported having very robust telecommunications connections, while one said outages tended to occur two to three times per month for 10–20 minutes.

Family Markets. A primary goal of the Family Markets program is to support small farms. It is difficult for small farmers to sell their produce directly to retailers because retailers often import cheaper produce from Central America. As of June 2021, about 185 of Puerto Rico's 8,000 active farms were authorized to sell produce in Family Markets. The Puerto Rico Department of Agriculture and the farmers interviewed were concerned about the continued success of Family Markets without benefits being set aside to support them. Family Markets sales dropped substantially when no NAP benefits were reserved for use in Family Markets during the COVID-19 pandemic, and changes to the Family Markets program could jeopardize the financial well-being of farmers and agricultural regions in Puerto Rico. Puerto Rico is already eligible to apply for Gus Schumacher Nutrition Incentive Program grants to incentivize nutrition assistance beneficiaries to purchase fruits and vegetables (as of the 2018 Farm Bill); this is not contingent upon the move from NAP to SNAP.

Retailer authorization and monitoring. Interviewees throughout Puerto Rico foresaw no challenges in FNS authorizing retailers for SNAP. ADSEF noted retailer fraud can be difficult to detect, especially when retailers and participants cooperate with one another. Sale of ineligible items is among the most

Retailer Stakeholders Interviewed

- FNS ROC and RIPID
- ADSEF OIC and DIP
- Adjudicative Board of the Department of the Family
- Puerto Rico Department of Agriculture
- Authorized retailers
- Retailer organizations

⁶⁴ Prior to October 1, 2020, a portion of NAP benefits could be redeemed for cash. This policy was completely phased out as of FY 2021.

common program violations; the practice is more common among small retailers without cash register systems that automatically identify items that can be purchased with NAP benefits.

FNS estimated 10–11 additional staff would be needed for retailer authorization and monitoring in Puerto Rico: 3 in ROB to process authorizations and reauthorizations, 3 in the Case Screening Branch to review allegations of SNAP violations and perform EBT data analysis, 3 in the ROC Investigative Analysis Branch to handle administrative actions regarding violative activity, and 1–2 in the RIPID Administrative Review Branch.

Retailer appeals. Although retailer appeals tend to be more involved than participant appeals, typically only one to two retailer appeals occur per month, so no longer overseeing retailer appeals would not have a substantial effect on the workload of the Adjudicative Board of the Department of the Family. Nonetheless, interviewees felt workload reduction could be helpful, given that the Adjudicative Board is currently understaffed⁶⁵ and responsible for handling many other types of cases.

E. Implementation Considerations

While many aspects of SNAP participation would be similar for NAP retailers, important differences between the two programs are apparent. Engaging in a robust publicity campaign would be important to inform retailers of the changes and provide information and supports to help them transition to SNAP (e.g., workshops on how to apply for SNAP authorization). Retailers emphasized they would need adequate time to ensure they could meet all SNAP requirements. ADSEF's OIC and DIP could contribute to this work because they are responsible for retailers under NAP. While not required, FNS could consider providing more robust orientation for retailers in Puerto Rico transitioning from NAP to ensure they are aware of all SNAP rules and how they differ from those of NAP. Over time, as SNAP becomes established in Puerto Rico, these efforts may be reduced. Authorizing the anticipated 3,000 to 3,200 retailers in Puerto Rico would take approximately 1 year.

The transition to SNAP would lead to a complete shift in retailer authorization and oversight responsibility from ADSEF to the FNS National Office. Both entities would need to create plans to carry out this transition. For FNS, the transition would require Spanish translations of SNAP retailer materials (e.g., retailer training videos, retailer charge letters, other notifications), increasing capacity to work with retailers in Spanish, and updating all Federal systems related to retailers and EBT transactions to include Puerto Rico. FNS would also need to determine the precise documentation retailers would need to submit with their

Organizational and Operational Effects

- ADSEF has six staff responsible for retailers; these staff would be transitioned to other roles by human resources.
- Contracts for store investigators in DIP would not be renewed.
- FNS ROC would need to hire staff in ROB to process authorizations and reauthorizations, in the Case Screening Branch to review allegations of SNAP violations and perform EBT data analysis, and in the ROC Investigative Analysis Branch to handle administrative actions regarding violative activity.
- FNS RIPID would need to hire administrative review officers bilingual in English and Spanish.

Technical and Infrastructure Effects

- FNS would need to add Puerto Rico to its data systems for retailer authorization, management, and EBT transactions.
- All EBT processors would need to update their systems to ensure interoperability between SNAP in Puerto Rico and elsewhere.

⁶⁵ As of June 2021, five additional employees were needed to handle the caseload across the Department of the Family.

applications and create a plan for assigning retailer risk level in Puerto Rico. FNS would need to expand its contract to cover store inspections and undercover investigations in Puerto Rico and hire new staff for retailer authorization, reauthorization, monitoring, and appeals. While challenges with street addresses in Puerto Rico were not reported during stakeholder interviews, FNS could consider using GPS during retailer inspections to precisely pinpoint the location of all retailers.

To transition to SNAP, Puerto Rico and all EBT processors would need to update their systems to ensure interoperability between SNAP in Puerto Rico and elsewhere. Puerto Rico's EBT processor would also need to ensure it can meet all SNAP requirements, such as sending transaction data daily in the proper format.

Chapter 10. Work Requirements and Employment and Training

NAP does not currently have work requirements and does not operate an employment and training program. This chapter explores the decisions and actions ADSEF would have to take to define and establish SNAP work requirements and administer a SNAP E&T program in Puerto Rico. Sections A and B include background information on plans to implement a work requirement under NAP and Puerto Rico’s employment and training landscape. Section C discusses work requirements, SNAP E&T program requirements, and the changes that would be needed to implement SNAP. Section D provides feedback from stakeholders regarding considerations for implementation of work requirements and a SNAP E&T program. Section E provides an overview of the process for implementing work requirements and a SNAP E&T program in Puerto Rico and decisions that ADSEF would need to make.

Work Requirements and Employment and Training: Key Findings

- Implementing general work requirements, an ABAWD work requirement, and a SNAP E&T program under SNAP would be a significant change for ADSEF and NAP participants.
- **ADSEF** would need to determine how to implement work registration, track the ABAWD time limit, and establish definitions for certain exemptions.
- **ADSEF** would need to consider the number and types of SNAP E&T services to provide, the type of SNAP E&T program (mandatory or voluntary), and which organizations would provide SNAP E&T services.
- **ADSEF** would need to address cost and capacity when developing work requirements and a SNAP E&T program, particularly if Puerto Rico chooses to make the program mandatory. ADSEF may want to initiate a small, voluntary program with one SNAP E&T component and then expand the program as internal program knowledge and capacity increase.

A. Background

Federal NAP regulations do not mandate work requirements, and although ADSEF has considered adding a work requirement for certain NAP participants, it has not administered work requirements or offered employment and training services as of 2021. In contrast, Congress began requiring work registration for SNAP in the 1970s and required SNAP E&T programs for participants in 1985. In the 1990s, Congress provided State agencies with additional funding for SNAP E&T services to help individuals who are ABAWDs achieve self-sufficiency and to implement and monitor time limits on benefit receipt. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 introduced limits on the receipt of SNAP to 3 months in a 3-year period for ABAWDs unless they meet a work requirement. In the 2000s, Congress reduced funding for SNAP E&T services and offered State agencies more flexibility in their SNAP E&T program design. In 2014, FNS opened an Office of Employment and Training and brought on seven Regional staff to support State agencies as they strengthen and improve their SNAP E&T programs, investing considerable resources and providing technical assistance to help the State agencies build capacity, create more robust services, and increase program engagement.

As part of SNAP eligibility, individuals must meet general work requirements unless they are exempt (see details in section C). The general work requirements apply to “work registrants” and include

registering for work,⁶⁶ accepting a suitable offer of employment, not voluntarily quitting a job or reducing work to less than 30 hours per week without good cause, and participating in a SNAP E&T or workfare program if required by the State agency.

For a subset of work registrants known as ABAWDs, SNAP regulations mandate an additional work requirement. ABAWDs must work and/or participate in a work program for at least 80 hours a month. ABAWDs can also satisfy the requirement if they participate in workfare for a set number of hours, depending on their SNAP benefit. If an ABAWD does not meet the work requirement, they are limited to 3 months of SNAP benefits in a 36-month period, unless they receive discretionary exemptions or live in an area where the time limit is waived.

The SNAP E&T program was established to assist members of SNAP households, including work registrants and ABAWDs, in gaining skills, training, or experience to achieve regular employment. State agencies have flexibility in designing their SNAP E&T programs to meet the needs of SNAP participants and address local workforce needs.

B. NAP Processes

As of 2021, NAP had no work requirements and did not provide employment and training services. In 2018, the Autoridad de Asesoría Financiera y Agencia Fiscal de Puerto Rico (Puerto Rico Fiscal Agency and Financial Advisory Authority) directed ADSEF to develop and implement work requirements for able-bodied NAP participants using SNAP regulations as a model (Puerto Rico Fiscal Agency and Financial Advisory Authority, 2018). ADSEF has since proposed developing a work requirement in its 2020 and 2021 NAP State Plans of Operations that closely resembles the work requirement for ABAWDs in SNAP. However, in response to the economic realities in Puerto Rico at the onset of the COVID-19 pandemic, ADSEF requested and FNS granted an amendment to the State Plan of Operations to delay the work requirement implementation.

The proposed work requirements would apply to NAP participants who are able-bodied adults (ADSEF, 2020). Exceptions include (1) individuals younger than 18 and older than 60, (2) parents with dependents younger than 18, and (3) individuals who are medically certified as unfit for employment. To continue receiving NAP, participants subject to the work requirement would need to register for work and not voluntarily quit a job. They would be required to work at least 80 hours per month or meet the required number of hours per month by performing community work or participating in an approved workfare program or NAP program activity. Nonexempt NAP participants who did not meet requirements would be limited to 3 months of NAP benefits in a 36-month period.

ADSEF began planning work requirements in October 2020 with the development of the Work Requirements Planning Committee. This committee includes representatives from across the workforce system, including the Department of Labor and Human Resources, Departamento de Desarrollo Económico y Comercio (DDEC, Department of Economic Development and Commerce), and the Departamento de Educación (Department of Education). The committee is tasked with establishing collaborative agreements, assessing the labor market, developing policies and procedures, and engaging with community partners to implement work requirements.

⁶⁶ States determine how individuals must register for work. For example, a State could require individuals to create an account with the workforce system's online job search portal or could require the individual to provide additional information as part of their SNAP application.

ADSEF has already signed or is in the process of signing collaborative agreements with several government agencies and expects to complete the planning phase by the end of 2021. The State Plan of Operations indicates subsequent phases (development, implementation, and monitoring and follow-up) would take an additional 3 years after the planning phase is completed.

C. SNAP Requirements and Changes Needed

Federal regulations at 7 C.F.R. §§ 273.7 and 273.24 require certain participants to be subject to work requirements and each SNAP State agency to operate a SNAP E&T program. The following sections provide an overview of SNAP work requirements (section 1) and policies related to a SNAP E&T program (section 2).

1. Work Requirements

State agencies must administer two types of work requirements for SNAP—a general work requirement and an ABAWD work requirement. SNAP regulations set parameters for requirements, but State agencies determine how to implement the policies and have some discretion in the types of work activities offered and required.

a. General work requirements

SNAP regulations state that all SNAP participants aged 16–59 who do not meet Federal exemption criteria are required to register for work, participate in workfare or SNAP E&T if required by the State agency, accept a bona fide offer of employment, and not voluntarily quit or reduce hours of employment below a 30-hour work week. SNAP refers to these individuals as work registrants. State agencies determine work registrant status at the time of application and recertification for SNAP benefits. State agencies also determine how a participant must register for work and must document their work registration status in their case file. Exemptions from the general work requirements are determined at the Federal level (see text box). State agencies have discretion in establishing certain parameters (particularly for individuals physically or mentally unfit for work) and certifying exemption status. State agencies must provide all households subject to work requirements with a consolidated written notice and a comprehensive oral explanation of the work requirements for individuals within the household.

Federal Exemptions From General Work Requirements

- Work at least 30 hours a week (or earn wages at least equal to the Federal minimum wage multiplied by 30 hours)
- Meet work requirements for another program (TANF or unemployment compensation)
- Care for child younger than 6 years or person who is incapacitated
- Be unable to work because of physical or mental limitation
- Participate regularly in alcohol or drug treatment program
- Study in school or training program at least half time (college students are subject to other eligibility rules)

State agencies must also determine whether participants failing to comply with work requirements have “good cause” before initiating a notice of adverse action. State agencies are responsible for determining acceptable reasons for good cause. If an individual fails to comply with SNAP work requirements without good cause, the State agency must notify the individual in writing to comply within 10 days before the State agency can disqualify the case. Individuals who remain noncompliant are disqualified and ineligible for SNAP for a minimum of 1 month or until they comply, whichever is later. The State agency may choose to disqualify the entire household if the head of household is noncompliant. State agencies must

meet minimum disqualification periods outlined in SNAP regulations (1 month for the first occurrence of noncompliance, 3 months for the second, 6 months for the third or subsequent occurrence) but have options to extend these disqualification periods. Individuals may appeal disqualification decisions.

Change needed. NAP has no general work requirements to maintain eligibility for the program. If ADSEF were to implement SNAP, it would need to set up general work requirements in accordance with SNAP regulations, including a process to register participants for work and for monitoring and enforcing work requirements. ADSEF would also be responsible for setting rules and procedures related to the following:

- ▶ Defining exemptions for physical or mental limitations and developing procedures for verification
- ▶ Developing procedures for determining and applying “good cause” when an individual does not meet the work requirements
- ▶ Outlining steps work registrants must take to comply with the requirement
- ▶ Developing procedures for notifying participants orally and in writing of their work requirements and methods for meeting the requirements
- ▶ Tracking compliance
- ▶ Determining disqualification and tracking procedures for noncompliance

b. ABAWD work requirement

ABAWDs are a subpopulation of work registrants who are subject to the ABAWD work requirement. An ABAWD is an individual aged 18 to 49 who is not exempted for other reasons (see text box). ABAWDs who do not meet the work requirement face a time limit on their benefit receipt of 3 months in any 36-month period.

If an ABAWD does not comply with work requirements, their SNAP household loses the amount of the benefit for that person; if the ABAWD lives alone, the case is closed. ABAWDs can be excused from a disqualification for good cause and can appeal a disqualification decision. ABAWDs who are disqualified can regain benefits by (1) working 80 hours in a 30-day consecutive period, (2) participating in a work program (such as the State agency’s SNAP E&T program), or (3) receiving an exemption granted by the State agency. There is no Federal limit to the number of times an ABAWD can regain benefits in these ways. State agencies are required to track the 36-month time limit period for all ABAWDs, even if a waiver or exemption is in place. State agencies can opt to track this 36-month period for each individual starting at the time of their enrollment in SNAP (on a rolling basis) or by calendar year for the entire caseload (on a fixed basis).

At their discretion, State agencies can exempt ABAWDs from the time limit using discretionary exemptions. State agencies earn discretionary exemptions annually based on 12 percent of covered individuals, a term for ABAWDs meeting certain characteristics. State agencies can determine how to provide discretionary exemptions. For example, States could provide discretionary exemptions on a

Exemptions From ABAWD Work Requirement

- Younger than 18 or older than 49 years
- Unable to work because of physical or mental limitation
- Responsible for dependent child or residing in household where household member is younger than 18 years
- Exempt from general work requirements
- Pregnant

case-by-case basis based on individual need, exempt an entire county, or exempt a certain population of ABAWDs, such as those who have unstable housing or are homeless. These discretionary exemptions grant ABAWDs an additional month of benefits without meeting work requirements.

State agencies may apply for a waiver of the ABAWD time limit for areas with an unemployment rate greater than 10 percent or a shortage of jobs. During economic downturns, most State agencies have qualified for statewide or partial waivers. During the COVID-19 pandemic, 24 States and the District of Columbia had statewide waivers, and 5 States had partial waivers for specific geographic areas in the State. State agencies can apply for ABAWD waivers at any time and, if approved, waivers are generally in effect for 1 year. State agencies must continue to measure the 36-month period and track ABAWDs continually, even in areas under a waiver so they will be ready to transition off the waiver when it expires and reintroduce the time limit.

Change needed. If SNAP were implemented in Puerto Rico, ADSEF would need to institute an ABAWD work requirement in accordance with 7 C.F.R. § 273.24. Specifically, ADSEF would be responsible for developing policies and procedures related to the ABAWD work requirement, including the following:

- ▶ Determining whether to apply for a waiver of ABAWD time limits and in what area(s)
- ▶ Defining exemptions for mental or physical limitations and developing procedures for verification
- ▶ Determining services to offer ABAWDs to help them meet the work requirement
- ▶ Developing processes for notifying participants orally and in writing of their ABAWD work requirement and methods for meeting the requirement (e.g., letters, notices)
- ▶ Tracking compliance
- ▶ Establishing ABAWD time clocks⁶⁷ to count the number of months an ABAWD can receive SNAP without complying with the work requirement

2. SNAP E&T Program

In addition to work requirements, State agencies must also operate a SNAP E&T program. State agencies have considerable flexibility in administering their SNAP E&T programs to fit their objectives and budget.

a. Planning

State agencies must submit a SNAP E&T State Plan to FNS annually by August 15. Only allowable SNAP E&T activities and services that are approved as part of the SNAP E&T State Plan can be paid for using Federal SNAP E&T funds. If changes are desired during the fiscal year, State agencies may submit plan amendments for FNS approval at least 30 days before the planned change. In the plan, State agencies must anticipate the number of work registrants, ABAWDs, and SNAP E&T participants in the upcoming year. State agencies also need to provide an operating budget as part of the SNAP E&T State Plan. FNS provides State agencies with a template and handbook for the SNAP E&T State Plan to assist State agencies in plan development (USDA FNS, 2021f). The FY 2022 SNAP E&T State Plan template includes the following sections:

⁶⁷ If ADSEF uses a fixed clock, it may apply the same 36-month time period to all ABAWDs. If it uses a rolling clock, it may apply individual 36-month time periods to individual ABAWDs.

- ▶ Summary of SNAP E&T program
- ▶ Program changes
- ▶ Consultation and coordination with workforce development system
- ▶ Consultation with Indian tribal organizations
- ▶ Utilization of State options
- ▶ Organizational relationships
- ▶ Screening for work registrations
- ▶ Screening for referral to SNAP E&T
- ▶ Referral
- ▶ Assessment
- ▶ Case management services
- ▶ Conciliation process
- ▶ Disqualification policy for general work requirements
- ▶ Participant reimbursements
- ▶ Work registrant data
- ▶ Outcome reporting measures
- ▶ Pledge to serve all at-risk ABAWDs
- ▶ Component detail
- ▶ Estimated participant levels
- ▶ Contracts, partnerships
- ▶ Budget narrative and justification

Change needed. NAP has no employment and training program in place. ADSEF would need to design a program and submit a SNAP E&T State Plan for review and approval by FNS.

b. Population served, geographic service area, and type of program

State agencies can decide whom they want to target with SNAP E&T services. Some State agencies target all SNAP participants, whereas others target work registrants, a subset of work registrants, or ABAWDs only. State agencies also determine what geographic service area(s) will offer SNAP E&T. Some State agencies provide SNAP E&T in a small geographic location such as a single city or county, while others offer services in a few local areas or statewide.

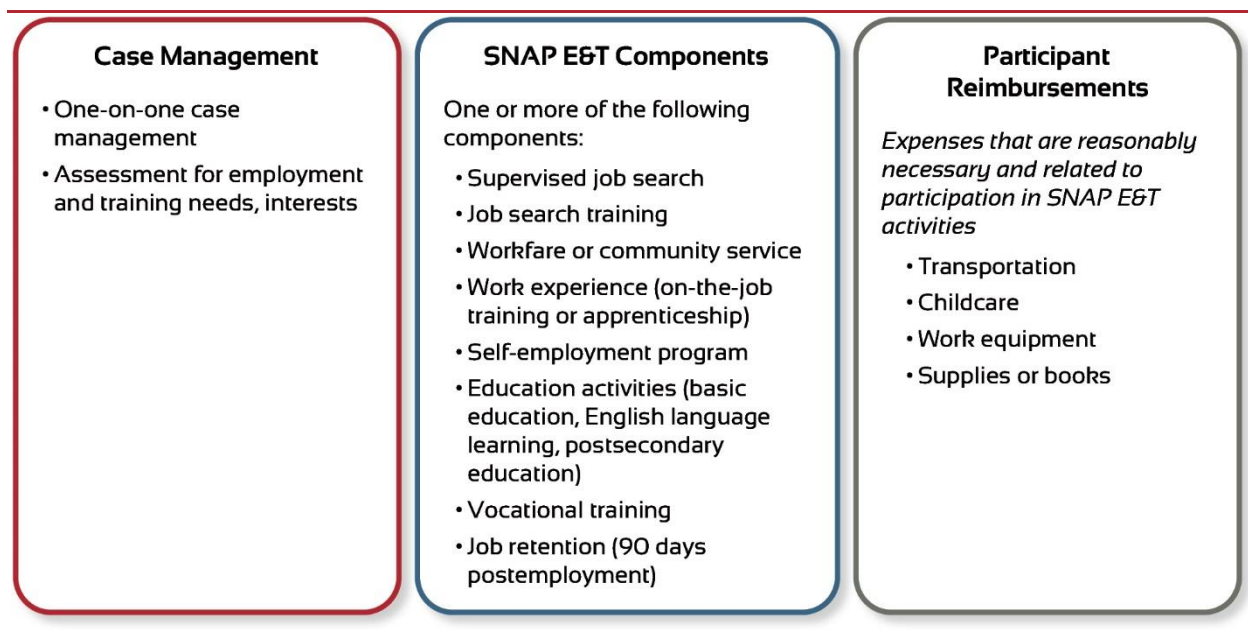
State agencies determine whether participation in their SNAP E&T program is mandatory or voluntary. State agencies can require participants, or a subset, to participate in SNAP E&T as a condition of SNAP eligibility (a mandatory participant); can choose to serve voluntary participants; or can opt for a combination of both. Most State agencies operate a voluntary SNAP E&T program, in which people eligible for SNAP E&T are given the option to participate and are not subject to disqualification when they do not participate. Mandatory participants who are noncompliant and do not have good cause are disqualified for a minimum of 1 month. Under a mandatory SNAP E&T program, participation in SNAP E&T is considered part of an individual's general work requirements; penalties for noncompliance with mandatory SNAP E&T programs increase with each occurrence and typically last for a set number of months or until compliance, whichever is later, as determined by the State agency. Participants may appeal the disqualification.

Change needed. ADSEF would need to determine the role of SNAP E&T, including how the agency would design a program that best fulfills the purpose of helping participants gain skills, training, or work experience to obtain employment. This includes determining which SNAP participants would be eligible for SNAP E&T and whether any SNAP participants would be required to participate in SNAP E&T as a condition of eligibility. ADSEF must also determine the geographic service area(s) for its SNAP E&T program. A mandatory SNAP E&T program would require ADSEF to monitor participants for compliance and issue disqualifications. ADSEF would need to determine the disqualification process and policies, including the duration of the first and subsequent occurrences.

c. SNAP E&T services and components

State agencies are required to offer case management and reimburse participants for expenses that are reasonable, necessary, and directly related to participation in SNAP E&T. A SNAP E&T program must include one or more of the following components: supervised job search; job search training; workfare or community service; work experience; education activities; self-employment program; vocational training; job retention; and other appropriate programs, projects, or pilots as approved by FNS (figure 10.1). States have flexibility in determining who will provide the services (e.g., SNAP State agency, community colleges, CBOs, American Job Centers [AJCs]).

Figure 10.1 Services SNAP E&T Programs Must Offer



Note: SNAP E&T = SNAP Employment and Training

Change needed. To comply with SNAP regulations, ADSEF would need to develop and implement a plan for providing case management, one or more SNAP E&T components, and participant reimbursements. ADSEF may choose to collaborate with one or more service delivery partners in implementing these requirements.

d. Funding for SNAP E&T

The Federal Government provides a grant to each State agency to cover the administrative costs of its SNAP E&T program using a formula based on the number of work registrants and the number of ABAWDs in the State agency to determine the amount allocated. Grants range from a minimum of \$100,000 to several million dollars, depending on the State agency. FNS reimburses State agencies 50 percent of additional administrative expenses they incur above their allocation. FNS also reimburses State agencies for 50 percent of participant expenses that are reasonable, necessary, and directly related to participation in SNAP E&T. Examples of these expenses include assistance with transportation (generally in the form of vouchers), childcare, training manuals and books, and uniforms. All SNAP E&T participants (mandatory and voluntary) must receive participant reimbursements that are reasonable, necessary, and directly related to participation in SNAP E&T.

Change needed. ADSEF would receive at least \$100,000 from FNS to implement its SNAP E&T program; ADSEF or service providers would need to secure funding for 100 percent of any remaining necessary costs, for which they would be reimbursed 50 percent. ADSEF or its providers would also need to secure 100 percent of the funding allocated to reimburse participants for expenses incurred by participating in SNAP E&T (e.g., transportation, childcare), for which they would be reimbursed 50 percent.

D. Stakeholder Feedback

Developing and implementing SNAP work requirements and a SNAP E&T program would require collaboration with multiple agencies and organizations. The study team asked multiple stakeholders to provide input on SNAP work requirements and SNAP E&T implementation in Puerto Rico (see text box). Overall, Puerto Rico stakeholders interviewed were enthusiastic about establishing SNAP work requirements and a SNAP E&T program. Stakeholders believed these policies would help address Puerto Rico’s low labor force participation by providing incentive to SNAP participants to enter the formal labor force. Federal and Puerto Rico stakeholders provided suggestions on designing a successful SNAP E&T program in Puerto Rico.

E&T Stakeholders Interviewed

- FNS Office of Employment and Training
- ADSEF central office staff
- Department of Labor and Human Resources
- DDEC
- Local Workforce Development Areas, which operate AJCs
- Department of Education
- Other employment and training providers

Program design. Interviews with FNS yielded several suggestions for designing the SNAP E&T program in Puerto Rico, including implementing a voluntary program initially focused on ABAWDs to ensure they can stay in compliance with work requirements. FNS noted that mandatory programs have more reporting and financial requirements than voluntary programs and are generally more complex and costly to operate. ADSEF should also consider the cost of providing participant reimbursements, which would be considerably greater for a mandatory SNAP E&T program than a voluntary program. Transportation and childcare reimbursements can be resource intensive. If ADSEF were to operate a mandatory SNAP E&T program, it would need to serve many more participants than in a voluntary program and would have to offer reimbursements for all individuals required to participate (or exempt them from mandatory participation).

“I think [ADSEF] should start small [with the design of the SNAP E&T program]. They should take a considerable amount of time in planning for implementation, in building up the program infrastructure, getting whatever system in place they need to as far as data reporting and tracking. I would not recommend heading full force into [complicated service structures, such as] third-party partnerships, at least initially. They need to get grounded first in the basics of an E&T program.”

—SNAP E&T stakeholder

FNS suggested ADSEF start with a single SNAP E&T component in a small geographic location and expand over time. ADSEF could then build on this component and offer more services as the agency becomes familiar with and builds capacity in the SNAP E&T program.

ADSEF also acknowledged that different types of SNAP E&T programs can be more complex and expensive to operate, with mandatory programs requiring the most

resources. For example, in operating a mandatory program, Puerto Rico must consider that SNAP E&T funding cannot be used for screening for work registration and SNAP E&T participation, determining good cause, sending notices of adverse action, or imposing disqualifications. Prior to making decisions regarding SNAP E&T program design, ADSEF indicated it would like to have information to share with the

Government of Puerto Rico on the costs of setting up and operating a mandatory SNAP E&T program and the experiences of other State agencies in doing so.

Partnerships. FNS suggested ADSEF take time to build partnerships and understand Puerto Rico’s robust workforce development infrastructure, supported by DDEC’s Áreas Locales de Desarrollo Laboral (Local Workforce Development Areas, or LWDAs), which could be partners in providing SNAP E&T services. FNS also suggested ADSEF could initially implement SNAP E&T with one partner and expand to meet program needs.

DDEC and LWDAs reported they have the capacity to serve more participants and are willing to partner with ADSEF to provide SNAP E&T services. To support intake of SNAP E&T participants, LWDAs indicated it would be helpful for them to have access to background data on participants, including information on what other government support services they receive. An influx of participants would require LWDAs lacking these data to acquire additional technology and devote staff resources to collect the information to determine the appropriate SNAP E&T services to offer each new participant.

Addressing barriers to E&T participation. Training providers and employers provided insight on some of the barriers to participation in SNAP E&T services that ADSEF should consider in developing a SNAP E&T program. Some training providers interviewed emphasized the importance of providing reimbursement for any costs associated with SNAP E&T participation, including transportation and childcare costs. Employers recommended SNAP E&T service providers avoid overburdening participants with paperwork requirements that could discourage them from participating.

Staffing and resources. Several Puerto Rico stakeholders and FNS shared perspectives on the staff and technology resources needed to implement work requirements and a SNAP E&T program. ADSEF staff suggested implementation would present time and resource challenges for recruiting and training additional staff but expressed confidence the agency has the infrastructure and experience needed to address challenges as they arise. FNS provided several suggestions for achieving the best possible use of resources during SNAP E&T implementation, including operating a voluntary program. Although SNAP E&T requires case management services, ADSEF has several options to reduce the drain on resources, such as offering case management in house or through partners and choosing the types of assessments used. FNS suggested ADSEF assess available staffing and infrastructure for case management and scale services to meet their capacity. FNS also noted participant reimbursements can be resource intensive.

E. Implementation Considerations

As of 2021, ADSEF had no work requirements or employment and training program for NAP participants. To implement SNAP, ADSEF would need to plan, design, implement, and administer work requirements and a SNAP E&T program.

1. Program Design and Planning

Work requirements. As of 2021, work registration is not required under NAP, so ADSEF would need to determine the process work registrants would undergo to meet the general work requirements. Early in the SNAP design process, ADSEF would need to establish work requirements, including policies and procedures for the general work requirements and the ABAWD work requirement. Although ADSEF is now designing a work requirement for NAP, ADSEF staff would need to familiarize themselves with SNAP-specific guidelines and regulations, including those related to monitoring and reporting. ADSEF

should aim to develop preliminary plans for implementing and enforcing work requirements early in the SNAP design process because of the influence these factors will have on SNAP data systems development. ADSEF should also assess unemployment rates and job availability across Puerto Rico and in specific areas to determine whether a waiver of the ABAWD time limit may be appropriate, learn the process of requesting a waiver of the ABAWD time limit, and ensure data are available to justify a potential waiver request. Even if ADSEF qualified for a waiver, it would still need to track ABAWD status in a data system and train staff on ABAWD policy.

SNAP E&T. To operate a SNAP E&T program, ADSEF would need to submit an implementation plan to FNS describing the proposed SNAP E&T program and resubmit annually thereafter. When considering program design options, ADSEF should gauge the costs of administering the program against the grant amount FNS would provide.

ADSEF could choose to implement either a voluntary or mandatory SNAP E&T program. Most State agencies operate a voluntary SNAP E&T program: People eligible for SNAP E&T have the option to participate and are not subject to disqualification when they do not. Operating a voluntary program could reduce administrative costs by reducing time spent determining noncompliance, verifying good cause, and issuing notices of adverse action for SNAP E&T (USDA FNS, 2021f).

If ADSEF chooses to operate a mandatory program, it would need to determine who would be required to participate as a condition of SNAP eligibility. In general, State agencies exempt people with barriers to employment related to geographic isolation or lack of transportation. A mandatory SNAP E&T program would also require ADSEF to monitor participants for compliance and issue disqualifications for noncompliance. ADSEF would need to develop this process and policies and consider how it would reduce the benefit for individuals or the SNAP household.

ADSEF would also need to develop policies, procedures, and funding streams to reimburse participants for expenses they incur (e.g., childcare, transportation, clothing, books, fees) as a result of participation in SNAP E&T. All SNAP E&T programs must provide case management and at least one SNAP E&T component. ADSEF would need to determine which SNAP E&T component(s) it plans to offer. It would also need to establish a case management model to support participants as they progress through the program. The model would include comprehensive intake assessments, individualized service plans, progress monitoring, and coordination with service providers (if applicable).

Organizational, Operational, Technical, and Infrastructure Effects

- ADSEF would require additional staff and financial resources to implement work requirements and SNAP E&T, though the extent of these additional resources would depend largely on the scope of the SNAP E&T program.
- Puerto Rico would be required to allocate 50 percent of funding for SNAP E&T program costs exceeding the amount granted by FNS.
- Puerto Rico would have to allocate funding for required participant expenses.
- ADSEF staff would require training on work requirements and SNAP E&T policies, procedures, and operations.
- Data systems would be required to track work requirement compliance and SNAP E&T participation.

E&T Case Management

- ADSEF can provide case management services internally or in partnership with external organizations.
- ADSEF has many years of experience with case management in the TANF program, including employment counselors and contracts for employment and training services.
- Puerto Rico has several organizations that provide education and employment training to its citizens, some of which could also provide case management.

2. Implementation

Work requirements. For work requirements, ADSEF would need to develop and implement accurate screening processes to determine work registration status, ABAWD status, and the appropriateness of referral to SNAP E&T. If ADSEF chooses to operate a mandatory SNAP E&T program, the agency would also need to develop exemption criteria for those requirements.

As discussed previously, ADSEF would need to implement a screening process for exemptions from work requirements, including defining if an individual is unable to work because of a physical or mental limitation and developing processes for verification and notification. ADSEF would also need to develop a process for determining and applying good cause when an individual does not meet the work requirements. Finally, ADSEF would need to develop a system to track compliance with general and ABAWD work requirements.

SNAP E&T. Puerto Rico would need to decide whether to deliver SNAP E&T services internally using ADSEF staff or externally through contracts with other agencies or organizations. If ADSEF were to operate the program internally, it would need to hire staff to provide case management, including conducting assessments, providing participant reimbursements, working with participants in meeting their goals, and making referrals to other SNAP E&T services. Alternatively, ADSEF could decide to partner with one or more education, employment, and training providers in the community. Depending on the components offered and providers selected, additional fiscal requirements could apply. For example, SNAP E&T funds cannot be used to supplant non-Federal funds for education. ADSEF would need to become familiar with these fiscal rules prior to determining the mix of services.

ADSEF could implement SNAP E&T in partnership with several existing providers, including DDEC, LWDAs and their AJCs, the Department of Education, community colleges, small organizations and businesses, and employers. Providers offer a range of SNAP E&T services, including classes in soft skills, computers, English, resume and interview preparation, and hospitality preparation, and training programs that lead to industry-recognized credentials. Some employers in Puerto Rico also offer apprenticeships or on-the-job training opportunities to employees (DDEC, 2020). Potential SNAP E&T partners include the following:

- ▶ **DDEC.** DDEC's Workforce Development Program administers and oversees Puerto Rico's Federal funds for the Workforce Innovation and Opportunities Act training and employment activities. DDEC offers case management and employment and training services to individuals through 15 LWDAs across the island. Each LWDA administers an AJC, a one-stop center with staff from multiple mandatory partner agencies, including the Department of Labor and Human Resources, which provides unemployment insurance at the AJC; the Department of Education; and the Administración de Rehabilitación Vocacional (Vocational Rehabilitation Administration). DDEC also runs recruitment fairs and caters to employers who need on-the-job trainings. It administers an apprenticeship program requiring a certain number of hours of on-the-job, related instruction and a commitment from the employer for a salary increase as participants develop their skills. At the end of the program, participants receive a formal diploma. Employers request apprenticeships for current and new employees.
- ▶ **LWDAs.** At the local level, LWDAs provide employment and training services including (1) basic career services such as eligibility determination, information on the labor market, initial skill assessments, and job search assistance and placement; (2) individualized career services such as specialized and detailed assessments, diagnostic tests, interviews and evaluations, career

planning, workforce readiness activities, and group or individual counseling; (3) training services from a list of providers approved by DDEC such as vocational, job, and on-the-job trainings.

- ▶ **Department of Education.** Through public schools, the Department of Education offers adults evening courses in basic education (kindergarten to 12th grade) and English. Students may participate in an additional component covering basic training in soft skills and skills for specific occupations such as elderly care and tourism.
- ▶ **Community colleges.** Numerous accredited universities, colleges, and institutes across Puerto Rico offer a variety of academic programs. For example, ICPR Junior College offers 8- and 12-month professional certificates in health, business administration, culinary arts, and tourism at six campuses across Puerto Rico. CEM College offers a variety of 12-month occupational health programs across four different locations.
- ▶ **Small organizations and businesses.** Innovative Strategic Corporation and General Training Partnership Advisory Group are among the small businesses in Puerto Rico that provide short-term vocational trainings through virtual and in-person workshops.
- ▶ **Employers.** Large, medium, and small businesses from a variety of industries offer on-the-job training opportunities across the island. Some employers have operations in a single local area, whereas others operate across the island or even in the mainland United States. In 2021, employers working with LWDAs offered the most on-the-job training opportunities in food, call center, retail, and medical services. For example, the Puerto Rico supermarket chain SuperMax provides several weeks of on-the-job training for most in-store positions for LWDA participants and ADSEF's TANF participants who are current or new employees with at least a high school education. CCM Health offers on-the-job training in San Juan for a patient care coordinator position, which requires an associate's degree or higher.

3. Testing, Training, and Rollout

Prior to implementation and rollout of SNAP in Puerto Rico, ADSEF would need to ensure SNAP eligibility workers and SNAP E&T staff are trained, data systems are in place, and additional staff and monetary resources are acquired to implement work requirements and a SNAP E&T program. Eligibility workers and supervisors would require training on work registration, work requirements, the ABAWD time limit, and consequences for not meeting work requirements. ADSEF would need to account for the workload associated with getting proper screening procedures and systems in place for work requirements, ABAWD status, and SNAP E&T. Some State agencies have designated a full-time SNAP E&T staff member to oversee the program, whereas others have added SNAP E&T to an existing role. If ADSEF were to provide SNAP E&T services in house, it would need to hire and train case managers to operate the program and provide services to participants.

ADSEF would also need to dedicate resources to creating an outreach and education plan for both staff and participants and develop notices, letters, and other communication materials to explain policies and requirements for SNAP participants.

Chapter 11. Disaster Response

This chapter provides a detailed description of the changes necessary for Puerto Rico to operate the Disaster Supplemental Nutrition Assistance Program (D-SNAP) and to otherwise respond to disasters while administering SNAP. Section A provides background on disaster response in Puerto Rico and SNAP; section B describes current processes for Disaster NAP (D-NAP) in Puerto Rico; section C presents a detailed description of D-SNAP requirements, other aspects of disaster response, and changes needed; section D presents stakeholder feedback; and section E describes items to consider prior to and during implementation.

Disaster Response: Key Findings

- D-SNAP would deviate significantly from past disaster nutrition assistance in Puerto Rico. ADSEF staff would need to familiarize themselves with the program and receive extensive technical assistance from FNS and other States familiar with D-SNAP.
- Unlike NAP disaster relief, D-SNAP benefits are only for individuals affected by a disaster who are currently not receiving SNAP. Other disaster response options include issuing supplements and/or replacements to current SNAP participants and allowing participants to purchase hot foods with SNAP benefits.
- ADSEF would need to develop a comprehensive D-SNAP Plan and implement a D-SNAP data system.
- ADSEF has extensive experience adapting to changes and responding to disasters—an important strength in D-SNAP planning and operations.

A. Background

In the event of a large disaster, Puerto Rico must rely on legislative action to receive additional disaster funding. When Hurricane Irma landed in September 2017, ADSEF used excess block grant funds to re-issue NAP benefits for those affected by the hurricane, but when Hurricane Maria hit the island in the same month, the territory did not have more excess funds and needed to wait for Congressional approval for additional funding. Congress passed disaster relief legislation in October 2017, granting \$1.27 billion in disaster nutrition assistance. However, drafting a comprehensive plan after funding was authorized delayed the disbursement of funds until 6 months after the hurricanes. Puerto Rico received an additional \$600 million in disaster assistance about 2 years after the hurricanes struck (USDA Office of Inspector General, 2019).

Puerto Rico's D-NAP operations have primarily consisted of expanding eligibility to non-NAP participants and increasing benefit amounts for current participants for an extended period. Disaster response in SNAP would be a fundamental shift in Puerto Rico's approach to disaster nutrition assistance, not only because of limits on how funds could be used, particularly in the context of operating a D-SNAP, but also because of how quickly disaster funds could be accessed.

SNAP State agencies can respond to a disaster in a variety of ways. In addition to operating a D-SNAP and issuing supplements to ongoing SNAP households, State agencies may request waivers from FNS to

issue mass replacement benefits to ongoing SNAP households, waive timely reporting requirements, and allow participants to use their SNAP benefits to purchase hot foods.⁶⁸

Under the authority of the Stafford Act, SNAP agencies can request to operate a D-SNAP in response to a natural disaster.⁶⁹ FNS can approve D-SNAP for use in areas affected by severe tornadoes, hurricanes, flooding, wildfires, or other disasters that warrant a Presidential disaster declaration authorizing Individual Assistance from the Federal Emergency Management Agency.⁷⁰ D-SNAP provides benefits to households that would not normally qualify for SNAP benefits but require temporary assistance as a result of the disaster.

Most D-SNAPs provide 1 month of benefits to approved households, which are equal to the maximum SNAP benefit amount for the household's size. The amount of D-SNAP benefits issued during an operation varies widely based on the size and scope of the disaster. As part of a D-SNAP, State agencies can provide disaster supplements to ongoing SNAP households (i.e., provide additional benefits for one month so each SNAP household in the disaster affected area receives the maximum benefit amount for their household size). Because D-SNAP request and approval procedures have already been established by FNS, D-SNAP in Puerto Rico could be implemented more quickly than disaster NAP funding, which often requires Congressional action. For example, the Virgin Islands established a D-SNAP within 47 days of Hurricane Maria compared with the more than 6 months it took to disburse disaster benefits in Puerto Rico (Balmaceda, 2020).

While replacement benefits are always available by affidavit to SNAP households experiencing food loss, State agencies can request a mass replacement waiver to automatically replace a percentage of each SNAP household's monthly SNAP benefit automatically without the households needing to travel to a local SNAP office and request a replacement. The mass replacement benefit waiver does not require a Presidential declaration authorizing Individual Assistance.

If a State agency decides to forgo the mass replacement waiver, a waiver of timely reporting can extend the normal 10-day timeframe for SNAP participants to report food loss and request replacement benefits. State agencies may also request a hot foods waiver, which allows SNAP participants in the disaster-affected area to purchase hot foods with their benefits.

B. NAP Processes

In response to the hurricane relief funding received in 2017, ADSEF developed a comprehensive plan for using disaster funds appropriated by Congress to enhance NAP and address increased need after the disaster. Under the plan, ADSEF increased benefit amounts for current NAP participants and raised income eligibility standards to serve households affected by the disaster that were previously not eligible for NAP. When the plan was put in place, new households were certified to receive benefits for no more than 12 months; however, since that time, the increase in the income threshold has been maintained.

ADSEF has also developed a D-NAP Plan based on the FNS D-SNAP Plan template (USDA FNS, 2019) to be ready to assist disaster survivors more quickly. While the D-NAP Plan has many similarities to a D-SNAP

⁶⁸ SNAP agencies may request to waive the statutory definition of "food" under § 3(k)(1) of the Food and Nutrition Act of 2008, as amended, and companion regulations at 7 C.F.R. § 271.2.

⁶⁹ Robert T. Stafford Disaster Relief and Emergency Assistance Act, Pub. L. No. 93–288, as amended, Title I, § 101(b)(2)

⁷⁰ SNAP agencies must submit a formal D-SNAP request to FNS for approval.

Plan, the FY 2021 D-NAP Plan does not describe any waiver request and reporting or closeout requirements. However, ADSEF did need to report to FNS how disaster nutrition assistance funds appropriated by Congress following the 2017 hurricanes were used. The plan also indicates that ADSEF plans to ensure D-NAP benefits are issued to clients within 72 hours of application.

As of 2021, ADSEF can adjust benefit schedules and disburse benefits either immediately before or after an emergency. The agency also reserves excess funding from the block grant for replacement benefits. After the January 7, 2020, earthquake, ADSEF identified NAP participants in the affected region who had not received their benefits and issued disbursements ahead of the regular benefit issuance schedule.⁷¹

C. SNAP Requirements and Changes Needed

Before State agencies can request a D-SNAP, the disaster-affected area must receive a Presidential disaster declaration authorizing Individual Assistance. Once the declaration is issued and commercial channels of food distribution have been restored, State agency staff can submit a D-SNAP request to their FNS Regional Office for a D-SNAP for the affected area(s). At this time, SNAP agencies can also decide whether to issue supplements to ongoing households and which other waivers to request as part of their disaster response (e.g., hot foods waiver, mass replacement waiver). The Regional Office forwards the waiver request to the National Office for final approval. When FNS approves the waiver, SNAP agencies execute their D-SNAP Plans and operate the D-SNAP in accordance with FNS direction and applicable Federal policies. FNS typically approves D-SNAP waiver requests within 1 week, and State agencies can begin D-SNAP operations shortly thereafter. This section details D-SNAP requirements and the changes ADSEF would need to make to implement them.

1. Planning Requirements

State agencies are required to develop and submit D-SNAP Plans to FNS as part of their annual SNAP State Plan of Operations detailing how the State agency would implement and operate a potential D-SNAP. All D-SNAP Plans must include (1) roles and responsibilities, (2) a resource readiness plan, and (3) an implementation plan. D-SNAP Plans may include information such as factors indicating when to implement a D-SNAP, State agency personnel in charge during the emergency, public outreach plans, sample D-SNAP site schematics, eligibility criteria, application and benefit issuance processes, fraud prevention measures, eligibility worker training materials, EBT card storage guidelines, and D-SNAP closeout procedures.

Change needed. ADSEF would need to make the following updates to Puerto Rico's D-NAP Plan to meet D-SNAP Plan requirements:

- ▶ Define a clear process for completing FNS waiver requests.
- ▶ Describe in detail the process for completing and submitting required reports to FNS during and after the disaster.
- ▶ Clarify reporting structure to be followed in case of a disaster and update roles and responsibilities, including contact information for ADSEF central office staff making decisions

⁷¹ For example, participants who normally receive their benefits on the 15th of the month would receive their disbursement early (i.e., before the 15th).

regarding D-SNAP, such as when to submit a request (the FY 2021 D-NAP Plan lists only contacts at regional and local NAP offices, Red Cross).

- ▶ Develop plans to ensure SNAP participants do not receive D-SNAP benefits (i.e., duplicate participation).

2. Waiver Request Requirements

When the disaster-affected area receives a Presidential declaration authorizing Individual Assistance and commercial channels of food distribution are restored, State agency staff may complete a D-SNAP waiver request. In completing the waiver request, agencies need to determine whether to request (1) supplements for current SNAP participants and/or (2) permission to operate a D-SNAP and provide D-SNAP benefits to those not currently participating in SNAP. State agencies may also request a waiver of timely reporting, a mass replacement waiver, or a hot foods waiver as part of their disaster response.

Change needed. A comprehensive D-SNAP Plan is critical to ensuring the D-SNAP waiver request is submitted to FNS in a timely manner and includes all pertinent information. The FNS D-SNAP toolkit includes a sample D-SNAP Waiver Request template. Much of the information for the request, such as descriptions of program integrity, EBT issuance, or procedures for employee applications, would be described in detail in the D-SNAP Plan. When submitting the waiver request, Puerto Rico would need to address the following sections:

- ▶ *Disaster information:* Type of disaster and areas included in the Presidential disaster declaration authorizing Individual Assistance
- ▶ *Disaster impact:* Number of households affected using data from preliminary damage assessments (e.g., from the Puerto Rico Emergency Management Agency [PREMA])
- ▶ *Benefit period:* Start and end dates for the 30-day D-SNAP benefit period
- ▶ *Application period:* Start and end dates for the 7-day application period plus application sites and their hours
- ▶ *Eligibility criteria:* Who will be eligible for D-SNAP benefits
- ▶ *Ongoing households:* Whether and how supplements will be issued to current SNAP participants
- ▶ *Anticipated issuance:* Estimated number of D-SNAP applicants and ongoing clients who will request or receive supplements
- ▶ *EBT:* Description of issuance procedures
- ▶ *Duplicate participation:* Description of how checks will be conducted
- ▶ *Program integrity:* Description of fraud prevention strategies
- ▶ *Logistics:* Description of D-SNAP sites, outreach plans, and crowd control plans
- ▶ *Staffing:* Plans for deploying temporary staff or staff from other areas
- ▶ *Employee applications:* Description of plan to handle State agency employee applications
- ▶ *Attachments:* May include D-SNAP application, draft press releases, map of disaster area

According to the study team's microsimulation module, approximately 47 percent of Puerto Rico's population could be eligible for SNAP benefits. As part of the waiver request, Puerto Rico would need to

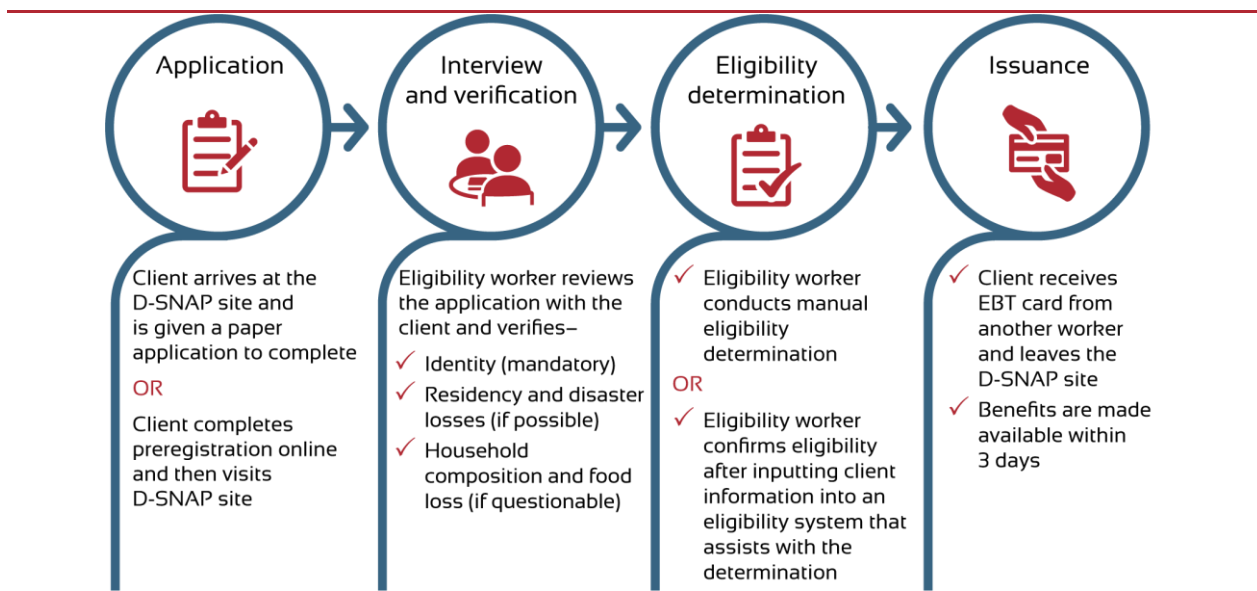
estimate the number of individuals in the disaster-affected area eligible for D-SNAP. If that number is low, the administrative costs of operating a D-SNAP might outweigh the potential benefits.⁷² In those circumstances, Puerto Rico may choose to issue supplements and replacement benefits to existing SNAP participants instead.

3. Certification and Benefit Issuance Requirements

After the D-SNAP request is approved and the State agency determines the application period, new clients may begin to apply for benefits at approved locations, known as D-SNAP sites. In some State agencies, D-SNAP clients may register and apply online before arriving at the D-SNAP site; other State agencies rely on paper applications distributed at the D-SNAP site. Regardless of how participants apply for benefits, SNAP agencies are required to maintain a system that facilitates certifying D-SNAP participants, issuing D-SNAP benefits, and checking for duplicate participation (i.e., ensure the applicant does not already receive SNAP benefits).

When clients arrive at the D-SNAP site and complete an application, they meet with an eligibility worker. The eligibility worker reviews the application, conducts the interview, and verifies the client is not receiving SNAP benefits. If eligible, the client is then approved for benefits within the D-SNAP data system and issued an EBT card. Benefits are made available via the card within 3 days. Figure 11.1 illustrates the main steps in the D-SNAP certification and benefit issuance process.⁷³ During the COVID-19 pandemic, some State agencies operated entirely virtual D-SNAPs.

Figure 11.1. Example D-SNAP Certification and Issuance Process



Note: D-SNAP = Disaster SNAP; EBT = electronic benefit transfer

⁷² Per a presentation by Texas Health and Human Services to the Texas State Senate, administrative costs for the 2017 Hurricane Harvey D-SNAP totaled about \$16.7 million (Salter, 2017). The State was responsible for 50 percent of the costs.

⁷³ The process explained here is illustrative and may differ for a specific D-SNAP. For example, for the September 2020 Hurricane Laura D-SNAP in Louisiana, all D-SNAP applications were processed over the phone because of COVID-19 social distancing guidelines. In these instances, clients completed a preapplication online and then conducted the eligibility interview over the phone with an eligibility worker. Rather than leaving the D-SNAP site with an EBT card, the household received their EBT card via mail within a few days of their interview.

Change needed. Puerto Rico would need to develop a D-SNAP data system to certify D-SNAP households and issue benefits. This system can be separate from, or nested within, the SNAP eligibility data system. The D-SNAP data system would need to interface with the EBT processor to disburse D-SNAP benefits and with the SNAP eligibility system to check for duplicate participation. The EBT system would also need to include functionality to disburse supplement and replacement benefits and allow participants to purchase hot foods, which are not allowed under normal SNAP operations, should a hot foods waiver be approved by FNS.

In addition to the D-SNAP data system, Puerto Rico would need to develop a D-SNAP application, which is usually one to two pages long and captures less information than the typical SNAP application. Many SNAP agencies use paper applications distributed to applicants on site. However, some SNAP agencies that operate D-SNAP have implemented an online preregistration system. In these State agencies, applicants can preregister online before arriving at the D-SNAP site for their interview. Though it is not necessary for Puerto Rico to have an online preregistration system to operate a D-SNAP effectively and efficiently, Puerto Rico may want to explore this option. If Puerto Rico does implement a preregistration system, ADSEF would need to provide paper applications or other accommodations for those without internet access.

D. Stakeholder Feedback

The study team interviewed a wide variety of stakeholders across FNS and Puerto Rico, including FNS staff from the Program Development Division, the Office of Emergency Management, MARO, and CAO. FNS staff indicated disaster response in Puerto Rico could be hampered by the territory's vulnerable power grid. Topography and nonstandard addresses could also be a challenge. One agency noted it may be logistically simpler to issue supplements and replacements for SNAP participants rather than operate a full D-SNAP. Others noted the high administrative costs associated with D-SNAP; FNS covers only 50 percent of these costs. Large D-SNAPs have sometimes cost SNAP agencies several million dollars.

FNS staff also stressed the importance of providing technical assistance to ensure Puerto Rico is familiar with the intricacies of D-SNAP and working with the territory to develop a strong and comprehensive D-SNAP Plan. Staff also noted it was important that Puerto Rico has a functioning D-SNAP data system from the beginning, given the likelihood of a disaster hitting the island.

The site visit to Puerto Rico included conversations with potential D-SNAP stakeholders to discuss current NAP disaster operations, including how stakeholders could work with ADSEF to plan for and operate D-SNAP in the future. Stakeholders were generally supportive of SNAP implementation in Puerto Rico, though they had some reservations about ADSEF's ability to successfully operate a D-SNAP. In particular, stakeholders noted ADSEF would need to strengthen current relationships with CBOs that could assist with D-SNAP operations (e.g., outreach or other volunteer activities at the D-SNAP site). One CBO noted ADSEF has not maintained clear channels of communication with CBOs during past disasters, indicating there was room for improvement.

Respondents from PREMA indicated that though they have a strong relationship with the Emergency Coordinator at the Department of the Family (ADSEF is a subagency of the Department of the Family),

D-SNAP Stakeholders Interviewed

- FNS, Program Development Division
- FNS, Office of Emergency Management
- FNS, MARO and CAO
- PREMA
- Red Cross
- CBOs

they lack a similar relationship directly with ADSEF. PREMA collects disaster-related data vital for use in a D-SNAP request, so at a minimum, a data sharing agreement would likely need to be established.

E. Implementation Considerations

ADSEF would need to consider several items related to D-SNAP implementation during the planning and program design phase and during SNAP rollout.

1. Program Design and Planning

It would be beneficial for ADSEF to become more familiar with D-SNAP planning and operations because Puerto Rico's previous experiences providing disaster nutrition assistance have not been aligned with D-SNAP guidance. FNS should include ADSEF in any national or regional D-SNAP meetings and facilitate an information exchange between Puerto Rico and a State agency with a history of successful D-SNAP operations in the aftermath of a hurricane. This technical assistance would be crucial to ensuring ADSEF is ready to operate a D-SNAP as soon as disaster strikes.

One step in the planning process would be drafting a D-SNAP Plan. FNS publishes D-SNAP Guidance (USDA FNS, 2014b) and a D-SNAP toolkit (USDA FNS, n.d.a) that ADSEF should reference in its planning. A review of other State agency D-SNAP Plans may be advantageous, particularly plans from State agencies with experience responding to large disasters and hurricanes. ADSEF would need to designate an individual at the ADSEF central office to lead a disaster response team and the development of the D-SNAP Plan. The disaster response team would be tasked with determining the appropriate response to the disaster (e.g., whether to operate a D-SNAP; deciding what, if any, other waivers to request), drafting a waiver request in the event of a disaster, leading D-SNAP operations, and completing waiver reporting. The disaster response team leader would need to become an expert in D-SNAP policy, and it is essential this individual is a career civil servant at ADSEF, not a political appointee, to ensure knowledge is not lost during political transitions. The members of the disaster response team would need to be trained in and familiarized with D-SNAP policy and procedures.

During the planning process, ADSEF would also need to determine specifications for the D-SNAP eligibility and EBT system. The system would need to fulfill four functions: (1) certify D-SNAP participants; (2) check for duplicate participation; (3) issue D-SNAP, supplement, and replacement EBT benefits and allow for purchases of hot foods, if the hot foods waiver is requested and granted; (4) facilitate required reporting to FNS. The D-SNAP eligibility and EBT system could be nested within the eligibility system or maintained separately, but it would need to be able to communicate with the eligibility system to conduct duplicate participation checks and the EBT system to issue benefits. FNS provides detailed information on D-SNAP data system planning in section 3.2 of the D-SNAP toolkit (USDA FNS, n.d.a).

Organizational, Operational, Technical, and Infrastructure Effects

- Because D-SNAP is operated only in response to a disaster, ADSEF's day-to-day responsibilities would not change, and hiring new permanent staff would likely not be necessary. Current staff could be available to draft the D-SNAP Plan.
- ADSEF may need to hire temporary staff during a disaster to ensure continuity of regular program operations and success at the D-SNAP site(s).
- ADSEF would need many supplies to operate a D-SNAP, especially a readily available backup stock of EBT cards. ADSEF would also need a plan for how it would acquire other supplies for D-SNAP site(s), including paper applications, clipboards, signs, chairs, pens, computers, and printers.

Because a disaster can strike at any time, Puerto Rico may have little to no “ramp up” time between SNAP implementation and the first D-SNAP. Additionally, the time between a disaster and D-SNAP operation is relatively short (much shorter than Puerto Rico’s previous experiences with disaster funding). While operating a D-SNAP soon after SNAP implementation could be challenging, prior experiences have shown ADSEF staff can respond quickly to adapt to new circumstances. For example, one strength Puerto Rico would bring related to D-SNAP operations is experience with large-scale, in-person NAP application events after Hurricanes Irma and Maria. The agency also processed hundreds of thousands of simplified NAP applications in the early days of the COVID-19 pandemic.

ADSEF would also need to develop and strengthen partnerships with local CBOs and other volunteer organizations. For prior D-SNAPs, SNAP agencies have worked with partners and their volunteers (e.g., food banks, United Way, other CBOs) to help with application assistance, human comforts at D-SNAP sites, traffic control, and other logistics. Volunteers or temporary workers can play many roles during D-SNAP operations, with the exception of determining eligibility, which would need to be completed by merit staff. Currently, ADSEF does not have strong relationships with volunteer or disaster response organizations across the island. These relationships would need to be strengthened, and the D-SNAP Plan would need to clearly identify the roles and responsibilities of partners and volunteers in D-SNAP planning and operations. ADSEF would need to work with PREMA and local utilities during the D-SNAP request process to obtain information on the scale and impact of the disaster. FNS expects SNAP agencies to conduct a needs assessment showing a disaster’s impact in the areas for which the State agency is requesting D-SNAP (e.g., a list of counties, ZIP Codes that have been without power). ADSEF would likely need to establish data sharing agreements with PREMA and the local utilities to obtain the necessary data.

2. Testing and Rollout

During the SNAP rollout phase, ADSEF would need to initiate the procurement process for necessary D-SNAP supplies (e.g., EBT cards, paper applications, clipboards). See above text box for further examples and resources. ADSEF would also need to conduct user testing of the D-SNAP eligibility and EBT system.

Chapter 12. SNAP-Ed

This chapter provides a detailed description of the changes necessary for Puerto Rico to operate SNAP-Ed. Section A provides background on the NAP Nutrition Education Program (NEP) and SNAP-Ed, section B describes NEP as operated in 2021 in Puerto Rico, and section C provides a detailed description of SNAP-Ed requirements and changes needed. Section D briefly describes stakeholder feedback collected during site visits and interviews with stakeholders at FNS and in Puerto Rico, and section E describes key considerations for SNAP-Ed implementation in Puerto Rico.

SNAP-Ed: Key Findings

- **ADSEF** would have the option to apply for and implement a SNAP-Ed program if Puerto Rico implements SNAP. Because ADSEF already funds NEP through its NAP block grant, staff, procedures, and partnerships are in place that could help ease the transition to SNAP-Ed.
- **MARO** would need to provide training and technical assistance to help ADSEF meet the SNAP-Ed requirements for planning, implementation, evaluation, and reporting, which are more extensive than those of NEP. Important resources ADSEF could use include the SNAP-Ed Guidance, the SNAP-Ed Toolkit, the SNAP-Ed Evaluation Framework, and peer State agencies.
- **ADSEF** would need to increase the overall number and capacity (e.g., evaluation, statistics) of ADSEF NEP staff and/or contract with implementing agencies to deliver and evaluate SNAP-Ed interventions, as most State agencies do.
- The **FNS State Administration Branch** and **MARO** would need to discuss with ADSEF an appropriate initial SNAP-Ed grant amount. SNAP-Ed grants are formula driven and based entirely on a State's share of SNAP participants and SNAP-Ed expenditures from the prior year; neither of these figures would be available for Puerto Rico for the first year of implementation.

A. Background

ADSEF operates NAP NEP to improve the likelihood that persons eligible for NAP will choose physically active lifestyles and make healthy food choices. Because ADSEF funds the program through the NAP block grant, it must determine annually how much of its grant to set aside for nutrition education. In FY 2021, NEP expenditures were \$964,633. The block grant covered 50 percent of these administrative costs, with those funds consequently diverted from direct nutrition assistance; Puerto Rico was responsible for the remaining 50 percent of the costs. Within this budget, NAP's NEP reached eligible populations through nutrition education talks, online nutrition-focused messages of 90 seconds or shorter targeted to a broad audience ("nutrition capsules"), and by collaborating with other agencies to deliver nutrition education and improve the healthfulness of meals.

Established in 1992, SNAP-Ed equips people eligible for SNAP with tools and information to make healthy choices that align with USDA's guidance and Dietary Guidelines for Americans.⁷⁴ Individuals participating in other means-tested Federal assistance programs and individuals residing in communities with low incomes are also eligible to participate. Through the 2010 Child Nutrition Act (Pub. L. 111–296; 42 U.S.C. 1751), which amended section 28 of the Food and Nutrition Act of 2008, SNAP-Ed was restructured as a nutrition education and obesity prevention grant program. Although SNAP-Ed is

⁷⁴ The Dietary Guidelines for Americans, produced by HHS and USDA every 5 years, are based on an analysis of the latest research to help Americans make informed choices about food and physical activity so they can live healthier lives (USDA & HHS, 2020).

voluntary, every State agency (including the District of Columbia, Guam, and the Virgin Islands) implements a program. The Federal Government funds 100 percent of State agencies' SNAP-Ed administrative costs, but the total funding for the program is capped each year by statute (approximately \$431 million in total for FY 2021). FNS uses a formula to allocate funds to State agencies based on their overall SNAP participation and size of their SNAP-Ed programs (using prior years' SNAP-Ed expenses). In FY 2021, SNAP-Ed allocations ranged from \$143,854 (Virgin Islands) to more than \$100 million (California). With these funds, State agencies reach eligible populations through direct nutrition education, multilevel interventions, and public health approaches tailored to the communities where they are implemented.

B. NAP Processes

ADSEF staff plan and implement nutrition education interventions to promote physically active lifestyles and healthy food choices among NAP participants. This section describes NAP NEP as implemented in FY 2021.

1. Planning

ADSEF determines annually how much of its grant to set aside for nutrition education; it includes in the State Plan of Operations a NEP plan describing planned activities commensurate with the budget. NAP NEP staff draft a list of items they need to operate the program; ultimately, the ADSEF administrator decides the final NEP budget and items on the list to be funded. The División de Presupuesto (Budget Division) within the Oficina de la Administradora Auxiliar de Finanzas y Presupuesto (Office of the Assistant Administrator for Finance and Budget) manages the NEP budget.

2. Implementation

a. Staff

Other than budget and administrative oversight provided by the NAP director and Budget Division, the NAP NEP is administered by three program staff—one nutritionist, who is primarily responsible for program design, planning, monitoring, and reporting, and two home economists, who are responsible for delivering nutrition education talks and materials to NAP participants across the island. Media and communication services centralized within the Department of the Family's Office of the Secretary are also implemented on behalf of NEP through an informal interagency agreement.

b. Intervention approaches

ADSEF's NEP employs three approaches to disseminate nutrition education. First, NEP nutrition educators (i.e., home economists) deliver brief nutrition education talks (5–15 minutes) to individuals and groups who participate in NAP. These talks are not classes but rather one-time encounters with NAP participants in settings where they live, work, shop, eat, learn, and play. The home economists primarily reach participants in waiting rooms of local offices of the Department of the Family across the island where people sign up for and receive NAP benefits. They also reach NAP participants by setting up booths and disseminating healthy recipe cards and materials at health fairs and in supermarkets, schools, or anywhere services are needed or requested. Various nutrition education topics are planned and disseminated each month. For example, nutrition education talks might focus on nutrition labels one month and on fruits and vegetables the next. Generally, messages focus on educating families about

how to best use their benefits, nutrition choices, and staying physically active. Interviewed stakeholders noted in-person nutrition education talks and presentations were limited in FY 2021 compared with a typical year because of the COVID-19 pandemic.

Second, ADSEF's NEP collaborates with other agencies to deliver nutrition education and improve the healthfulness of meals. For example, NEP supports the Child Care Food Program by promoting nutrition education to care providers. NEP also supports the Administración de Familias y Niños (Administration of Families and Children) Elderly Multiple Activity Centers by reviewing their certified menu.

Finally, ADSEF's NEP supports the nutrition capsules messages that are disseminated through paid and nonpaid media channels, including social media. Development and dissemination of the nutrition capsules are centralized within the Department of the Family's Office of the Secretary and implemented on behalf of NEP. ADSEF also maintains a website dedicated to nutrition education.

C. SNAP-Ed Requirements and Changes Needed

NEP and SNAP-Ed share the same goal, but SNAP-Ed's planning, implementation, and reporting requirements are more extensive than NEP's.

1. Planning

To receive SNAP-Ed funding, State agencies must submit a robust SNAP-Ed annual or multiyear (up to 3 years) plan⁷⁵ describing their needs assessment methodology and findings, State agency goals and objectives, planned projects, planned staffing and budget, and planned evaluation and collaboration.⁷⁶ SNAP-Ed needs assessments must describe the State agency's SNAP-Ed target audience; assess the target audience's nutrition, physical activity, and obesity prevention needs (e.g., diet-related health statistics); summarize other nutrition-related programs serving individuals with low incomes; and identify areas of the State where the SNAP-Ed target audience is underserved. State agencies are expected to use needs assessment results to develop goals and objectives and plan strategies for the upcoming fiscal year that will best meet community needs and align with the SNAP-Ed mission. Typically, State agencies collaborate with their contracted implementing agencies and engage other partners to conduct the needs assessment and develop their State plan. SNAP-Ed Plans must be approved by FNS Regional Offices. Planned activities can begin after the plan is approved but no sooner than October 1 each year.

Change needed. Although the NEP portion of the State Plan of Operations covers most topics (results of a needs assessment, goals and objectives, planned strategies, program structure and staffing, evaluation plans, and a budget narrative), it does not include the level of detail and supporting research and analysis that would be required for SNAP-Ed Plan approval. For example, ADSEF would need to conduct and describe a more robust needs assessment process and findings and ensure planned goals and objectives are specific, measurable, achievable, relevant, and time bound (SMART). Strategies described in the plan would need to be evidence based and clearly link to the needs assessment findings. Evaluation plans would also need to be more formalized. Specifically, ADSEF would need to describe in

⁷⁵ With prior approval, State agencies can submit a multiyear State plan that covers a 2- or 3-year period rather than an annual plan. SNAP-Ed guidance suggests multiyear plans can better foster planning, implementation, and evaluation and show progress on multilevel interventions, including policy, systems, and environmental change (PSE) initiatives.

⁷⁶ As of FY 2021, FNS was reviewing and revising the SNAP-Ed Plan and SNAP-Ed Annual Report forms and recently announced it will provide all SNAP-Ed agencies access to a new online system for submission of plans and report forms. FNS anticipates agencies will start using the new forms and system in FY 2023.

the SNAP-Ed Plan the type of evaluation(s) planned (i.e., formative, process, outcome, and/or impact); questions the evaluation will address; the planned scope, design, and use of SNAP-Ed Evaluation Framework indicators, measures, and data collection methods; and the planned use of evaluation results.

2. Implementation

a. Staff

FNS offers State agencies flexibility in how they operate SNAP-Ed, and as a result, implementation varies substantially by State agency. State agencies typically contract with 1–15 State implementing agencies to carry out most SNAP-Ed projects. In FY 2019, more than 150 State implementing agencies were operating nationally. Common types of State implementing agencies are universities, food banks, other nonprofit organizations, and Indian Tribal Organizations. State implementing agencies may in turn subcontract or grant subawards to local implementing agencies. Some SNAP-Ed activities are directly implemented by State agencies; these activities are typically statewide efforts, such as social marketing campaigns.

Change needed. All NAP NEP activities are implemented by ADSEF staff with the exception of the nutrition capsules, which are developed and disseminated through the Department of the Family’s Office of the Secretary. ADSEF would need to decide whether to subcontract some or all SNAP-Ed delivery to one or more State implementing agencies.

b. Intervention approaches

Although State agencies have flexibility in how they design and deliver their SNAP-Ed projects and activities, the Food and Nutrition Act of 2008 stipulates SNAP-Ed funds be used for evidence-based activities that use one of three approaches:

- ▶ Individual or group-based direct nutrition education, health promotion, and intervention strategies
- ▶ Comprehensive, multilevel interventions at multiple complementary organizational and institutional levels
- ▶ Community and public health approaches to improve nutrition and prevent obesity

The SNAP-Ed Guidance further stipulates that State agencies must provide direct nutrition education activities (approach 1), and these activities must be combined with interventions and strategies from approaches 2 and 3. Often, approaches 2 and 3 include policy, systems, and environmental change (PSE)⁷⁷ interventions and/or social marketing interventions.⁷⁸ Many SNAP-Ed agencies also use indirect education strategies (i.e., strategies that do not qualify as direct education, PSE, or social marketing but otherwise help to reinforce them).

⁷⁷ PSE changes are designed to make the healthy choice the easy and preferred choice where people eat, live, learn, work, shop, and play. Examples include policies that allow public use of school recreation facilities during nonschool hours, developing systems to distribute locally grown produce, and increasing produce offerings at local stores.

⁷⁸ The SNAP-Ed Guidance references the following definition of social marketing: The application of commercial marketing technologies to the analysis, planning, execution, and evaluation of programs designed to influence voluntary behavior of target audiences in order to improve their personal welfare and that of society” (Andreasen, 1995).

State agencies are also required to coordinate their nutrition education and obesity prevention efforts with other USDA and other Federal nutrition and education programs, such as the Expanded Food and Nutrition Education Program (EFNEP) and the National School Lunch Program. They also must partner with other national, State, and local initiatives to further the reach and influence of SNAP-Ed activities.

Change needed. Puerto Rico would need to align its list of NEP activities with evidence-based SNAP-Ed activities. Although the nutrition education talks provided through NEP are individual or group based, in planning SNAP-Ed, ADSEF may need to reference the Checklist for Evidence-Based Approaches in the SNAP-Ed Guidance to determine whether the education the agency is providing qualifies as an evidence-based intervention. FNS can likely advise on this. With FNS approval, interventions without an established evidence base may be implemented. ADSEF would also need to review SNAP-Ed Guidance and confer with FNS to confirm its NEP media campaign qualifies as a public health approach and the menu review it provides to other programs and local agencies qualifies as PSE. If not, ADSEF will need to plan for a set of interventions that aligns with these approaches.

D. Stakeholder Feedback

To determine the feasibility of implementing SNAP-Ed, the study team conducted interviews with FNS and several Puerto Rico stakeholders (see text box). Stakeholders interviewed about SNAP-Ed were supportive of both SNAP and SNAP-Ed implementation in Puerto Rico and cited parity with Americans on the mainland as an important benefit. Stakeholders mentioned several additional benefits to implementing SNAP-Ed in Puerto Rico:

- ▶ Additional resources for nutrition education and obesity prevention would ensure programming is accessible to eligible populations throughout the island.
- ▶ Staff in Puerto Rico would gain opportunities for peer-to-peer learning with program administrators in other State agencies; training; and access to professional conferences, such as the annual conference of the Association for SNAP Nutrition Education Administrators.
- ▶ The opportunity for ADSEF to develop formal partnerships with other agencies and organizations, such as the University of Puerto Rico or the Departamento de Recreación y Deportes de Puerto Rico (Puerto Rico Recreation and Sports Department), could yield new opportunities for collaboration, evaluation, and resource sharing related to nutrition education and obesity prevention.

When asked about potential challenges related to implementing SNAP-Ed in Puerto Rico, stakeholders indicated staffing could be a barrier. In particular, stakeholders suggested ADSEF would need additional staff, including a researcher or statistician (or at minimum, access to one), to implement evidence-based

SNAP-Ed Stakeholders Interviewed

- FNS Program Accountability and Administration Division, MARO, and CAO
- ADSEF NEP staff
- EFNEP at the Universidad de Puerto Rico-Mayagüez (University of Puerto Rico-Mayagüez, or UPR-M)
- Comisión de Alimentación y Nutrición de Puerto Rico (Puerto Rico Food and Nutrition Commission)

“[NEP staff] have been here for many years, not a few. They know the program, they know the system, they know how the local offices work. In that sense, they are an asset of ADSEF concerning being able to consider the transition to SNAP, and what has to be improved, what has to be expanded, making recommendations for the success of turning NAP into SNAP.”

—SNAP-Ed stakeholder

programming across the island and meet SNAP-Ed reporting requirements.

Stakeholders identified the qualifications and tenure of current NEP staff as a strength that could help facilitate a smooth transition to SNAP-Ed. These staff are degreed professionals with a keen understanding of the eligible population's needs.

E. Implementation Considerations

If Puerto Rico implements a SNAP-Ed program, FNS will need to support ADSEF in planning and design efforts. As mentioned, FNS publishes SNAP-Ed Guidance, the SNAP-Ed Toolkit, and the SNAP-Ed Evaluation Framework to support SNAP-Ed agencies with planning, implementation, and reporting functions. ADSEF should review these resources and other State agency SNAP-Ed Plans and SNAP-Ed Annual Reports from the Mid-Atlantic Region. FNS would need to provide significant technical support to facilitate SNAP-Ed program design and planning. FNS should include Puerto Rico in any national or regional SNAP-Ed meetings and

facilitate an information exchange between Puerto Rico and a State agency that has successfully grown its SNAP-Ed program over time. Puerto Rico could also benefit from conversations with State agencies employing different organizational models (i.e., contract with implementing agencies for all or only some of their SNAP-Ed program delivery). It would also be critical for the FNS State Administration Branch and MARO to discuss with ADSEF an appropriate initial SNAP-Ed grant amount. These discussions would help provide ADSEF with an understanding of the potential scope of SNAP-Ed activities as the agency transitions from the design to active planning phase.

ADSEF will need to increase NEP staff number and capacity (e.g., capacity in evaluation and statistics), or like most State agencies, contract with implementing agencies to deliver and evaluate SNAP-Ed interventions. If ADSEF decides to contract with other agencies for SNAP-Ed delivery, UPR-M may be a potential partner. UPR-M operates EFNEP in Puerto Rico, a community outreach program funded by the USDA National Institute for Food and Agriculture that uses education to support participants' efforts toward self-sufficiency, nutritional health, and well-being. Many Land-Grant Universities on the mainland U.S. operate both EFNEP and SNAP-Ed programs because they serve similar audiences. UPR-M may have established community networks, evaluation experts, and systems in place to support SNAP-Ed delivery.

ADSEF might also confer with the Puerto Rico Food and Nutrition Commission, an advisory committee that sets public policy on food and nutrition. Established in 1999 by the Organic Act of the Food and Nutrition Commission of the Commonwealth of Puerto Rico (Title I, chapter 14, sections 251-260), the Commission is composed of five agency secretaries (health, agriculture, consumer affairs, family, and education), the president of UPR-M, the president of the Association of Nutrition and Dietetics of Puerto Rico, and four citizen members (i.e., private professionals in the fields of nutrition, food technology, and food marketing) appointed by the governor. The Commission was created to avoid duplication and enhance resources across Puerto Rico agencies on issues related to food, nutrition, and obesity prevention. Although the commission would not have authority to deliver SNAP-Ed services, it could advise ADSEF on community needs and potential SNAP-Ed implementation strategies.

Organizational, Operational, Technical, and Infrastructure Effects

- Increase ADSEF staff devoted to nutrition education and/or contract with implementing agencies
- Acquire nutrition education supplies and materials as needed
- Develop a data tracking tool or identify an existing data tracking tool

Chapter 13. Additional SNAP Administrative Functions

This chapter describes the additional changes needed for Puerto Rico to implement specific administrative activities required by SNAP:

- ▶ Outreach and participant communications (section A)
- ▶ Fair hearings (section B)
- ▶ Ensuring civil rights (section C)
- ▶ Financial management and reporting (section D)

For each of these activities, this chapter provides relevant background information, an overview of current NAP administrative activities, and the changes that would be necessary to implement SNAP. Each section ends with a description of the implementation considerations for establishing these activities and the resulting organizational, operational, technical, and infrastructure effects of implementing SNAP in Puerto Rico.

Administrative Functions: Key Findings

- **ADSEF** would need to conduct a formal public communications campaign to inform potential participants of the transition from NAP to SNAP and the availability of SNAP benefits.
- **ADSEF** would need to develop specialized outreach to NAP participants most likely to lose nutrition assistance benefits (i.e., older adults, people with disabilities, postsecondary students, farmers and farmworkers, and veterans).
- **ADSEF** would need to ensure processes are in place to provide participants with notices that meet SNAP’s policy and timeliness requirements and reflect ADSEF’s SNAP design and policy decisions. SNAP notice development would be central to the development of a SNAP eligibility system.
- **ADSEF** would need to make only minor changes to the procedures for fair hearings to meet SNAP requirements; however, data systems and reporting mechanisms would need to be established to complete and submit SNAP reports on the number of fair hearings requested and held and their results.
- **ADSEF** would need to update materials for participants and trainings for staff and subrecipients to reflect additional civil rights protections. ADSEF would also need to establish data systems to collect and report participants’ race and ethnicity. ADSEF would need to make only minor changes to the procedures for processing civil rights complaints.
- **ADSEF** would be required to produce financial reports in much greater detail under SNAP compared with NAP. Financial accounting and SNAP data systems would need to be designed and tested to produce required reports.

A. Outreach and Participant Communications

ADSEF communicates with NAP applicants and participants through written notifications via postal mail to report any action ADSEF has taken or will take in their case. NAP notifications include participants’ rights and responsibilities and must follow established timeliness rules.

ADSEF makes use of communication outreach strategies to reach NAP participants more broadly, such as television, newspapers, radio, and social media, to inform NAP recipients of changes or updates in the

program. NAP does not have an outreach plan to reach individuals with low incomes who do not participate in the program.

Similarly, State agencies use SNAP certification notices to communicate with SNAP applicants and recipients. SNAP notices are regulated by FNS for policy compliance and ease of understanding and must follow all civil rights provisions required by the program. State agencies send notices via postal mail and also provide electronic notices participants may access through secure online portals. All notices are subject to specific timeliness rules. State agencies may apply to receive up to 50 percent reimbursement from FNS for costs expended on SNAP Outreach to increase familiarity with SNAP among individuals with low incomes who do not participate in the program including individuals with disabilities and those with limited English proficiency. State agencies also use social media to get the word out about the availability of SNAP, eligibility requirements, and application procedures. This section discusses NAP and SNAP processes in more detail and key differences between the programs; stakeholder feedback on outreach and participant communications; and steps that would be needed for SNAP implementation.

1. NAP Processes

a. NAP outreach

ADSEF does not plan formal outreach activities to inform potential NAP applicants of the availability of NAP benefits or application procedures and eligibility requirements. Given that NAP funding is capped, any money spent conducting formal outreach would leave less funding for benefits, and any increase in participation would result in each participant receiving less money. With more than 40 percent of the population of Puerto Rico participating in NAP, families with low incomes are familiar with NAP and the overall procedures to apply for benefits.

b. Participant communication

NAP Regulation 8684 outlines the types of communications NAP applicants and participants receive. A notification is a document issued by ADSEF reporting any action taken in the case; all notifications include participants' rights and responsibilities under the law (Article 5). Table 13.1 provides a list of some of the most common NAP notifications currently provided to NAP applicants and recipients.

Table 13.1. Selected NAP Notifications and Forms Provided to NAP Participants

Form	Purpose
ADSEF-106-E	Inform participants about their rights and responsibilities
ADSEF-108	Notify participants they are scheduled for an interview, and notify participants their certification period is about to end and what is needed as verification for recertification
ADSEF-109	Communicate eligibility decisions, certification periods, changes in benefit allotment, and schedule interview at local office
ADSEF-111	Inform of 3-month certification period when case is transferred to another office
ADSEF-126	Request appeal
ADSEF-126-A	Request withdrawal of appeal request
ADSEF-128	Provide consent regarding use of private information

Note: ADSEF = Administración de Desarrollo Socioeconómico de la Familia (Administration for the Socioeconomic Development of the Family)

NAP notification forms contain dynamic fields that can be generated based on the information an eligibility worker has entered in the eligibility system; forms can also be completed manually. The forms are sent via postal mail, but the eligibility worker can give them to participants during face-to-face meetings or send them via email. Notifications can be sent to homeless shelters or other addresses (e.g., of a relative) for people without a mailing address.

According to NAP Regulation 8684, Article 50, all NAP notifications must include the following information:

- ▶ Name of head of household
- ▶ Case number
- ▶ Action taken
 - Eligibility: benefit amount, adjustments, date for beginning and end of the certification period, complaints, disqualification, or any other action that affects the household
 - Ineligibility: denied and closing
- ▶ Name and signature of eligibility worker
- ▶ Date
- ▶ Statement about right to appeal decision
- ▶ Information about a participant's rights and how to file a complaint

Notifications are not sent in the following circumstances:

- ▶ Blanket changes initiated by the agency
- ▶ ADSEF determines through reliable and verifiable sources that all members of the household have passed away
- ▶ ADSEF does not know the whereabouts of the household
- ▶ Changes in the benefit amount have occurred because of availability of funds
- ▶ Minors are relocated for their protection, or domestic violence survivors relocate to protective shelters, or with families, or with private citizens

Eligibility notifications use the ADSEF-109 form within 30 days of the date of application. Notifications regarding recertification and case closures use the ADSEF-108 form. The ADSEF-108 is first sent 45 days before the end of the certification period to provide a date for an in-person recertification interview and lists the documents required for recertification. If the participant is lacking any required documentation when they attend their recertification interview, another ADSEF-108 form is issued describing the remaining requirements and providing an appointment to bring the needed documents. If the participant does not attend a scheduled meeting, the local office can issue another ADSEF-108 form to provide a new meeting date. The ADSEF-108 includes the date the case will be closed if the participant does not complete the recertification.

In addition to written notifications, ADSEF communicates with NAP participants through several media, including television, newspaper, radio, and social media platforms such as Facebook. The ADSEF administrator is regularly invited to participate in televised interviews and has a weekly televised

appearance in a popular program in Puerto Rico. These channels help ensure that program news and information reach audiences swiftly. Participants have found social media a valuable source of information about NAP, particularly in the aftermath of Hurricanes Irma and Maria, and in response to increases in funding to NAP as a result of the COVID-19 pandemic. ADSEF also engaged in formal communication activities to educate participants about NAP's conversion to 100 percent non-cash benefits and correct use of the NAP food benefits (ADSEF, 2020).

2. SNAP Requirements and Changes Needed

a. SNAP Outreach

SNAP outreach is an optional program. Under SNAP, State agencies may apply to FNS to receive up to 50 percent reimbursement of the administrative costs for SNAP outreach activities to reach people with low incomes who are eligible and not current SNAP participants. Outreach activities seek to inform potentially eligible nonparticipants of the application process and eligibility requirements. Such activities can play an important role in helping to address misconceptions about program participation and eligibility and to clarify questions about the benefits of participating in SNAP. Outreach efforts are particularly important to reach individuals who are elderly, individuals with disabilities, and those with limited English proficiency. Allowable outreach activities can include eligibility prescreening, application assistance, translation of materials and bilingual accommodations, and disseminating information via face-to-face interactions or printed materials. SNAP agencies are encouraged to partner with CBOs to conduct outreach activities and reach marginalized populations.

To receive SNAP Outreach funds, State agencies must prepare a SNAP Outreach Plan and submit it to FNS for approval as part of the State Plan of Operations. If approved, SNAP agencies are responsible for administering the funds and executing the approved outreach activities. Allowable costs include staff salaries and benefits, office equipment, development and production of materials, lease and rental costs, maintenance costs, travel, and other indirect costs. Not allowable outreach expenses include using television, radio, and billboard advertisements to promote SNAP; social media outreach is an allowable outreach expense. State agencies can review the SNAP State Outreach Plan Guidance published by FNS when developing and submitting their SNAP Outreach Plan to ensure proposed activities are aligned with SNAP regulations and guidelines.

Change needed. ADSEF does not conduct outreach to NAP nonparticipants. If SNAP is implemented in Puerto Rico, ADSEF would need to decide whether to conduct formal SNAP Outreach, and if so, write and submit a SNAP Outreach Plan to FNS. If ADSEF's public communications campaign about the transition to SNAP were to be considered SNAP Outreach, exceptions would need to be written into legislation to allow the use of SNAP Outreach funds for television, radio, and billboard messaging. If a different source of funding were used for this pre-rollout communications campaign, such exceptions would not be necessary. ADSEF could also consider partnering with CBOs to identify outreach activities likely to reach eligible nonparticipants and carry out those activities once approved.

b. Participant communication

SNAP certification notices are a central component of participant communications under SNAP, providing critical and timely information to SNAP participants about their benefits. SNAP notices must comply with FNS policy requirements and be written in clear and easily understandable language to support participants in completing the actions needed to ensure proper program participation. Notices

also need to inform participants of their rights and responsibilities, including their right to appeal decisions made on their cases.

According to 7 C.F.R. § 271.2, SNAP agencies must give adequate notice to participants whenever the agency has taken an action or intends to take an action on their case. Notices serve different functions and help meet different communication purposes between the State agency and SNAP applicants and recipients. Specific regulations determine the content each type of notice must include. SNAP regulations specify the timeliness for notices to be provided to applicants and participants within a given certification period to guarantee their rights. State agencies may also customize the notices they provide SNAP participants depending on their policy implementation decisions. Table 13.2 presents an overview of SNAP certification notices and their general purpose.

Table 13.2. SNAP Certification Notices State Agencies Provide to SNAP Participants

Notice Name	General Purpose
Interview Scheduling Notice	Informs applicant if scheduled for face-to-face or telephone interview
Notice of Missed Interview	Informs applicant of missed interview and their responsibility for contacting State agency to reschedule
Notice of Required Verification	Describes SNAP verification requirements household must meet (e.g., provide proof of identity, income) and types of documents household should provide (e.g., driver's license, birth certificate, school or work identification, medical insurance card, voter identification card, or passport)
Notice of Expedited Approval with Postponed Verifications	Informs applicant of required verifications that were postponed when initially approved and provides due date of required verification
Notice of Eligibility	Informs applicant of amount of allotment, includes beginning and end of certification period, and advises on variations in benefit level based on changes anticipated at time of certification (e.g., cost of living adjustment)
Notice of Pending Status	Informs household its application has not been completed and is being processed because some action by the State agency is necessary to complete the application process, or State agency has elected to suspend all cases regardless of reason for delay
Notice of Expiration	Informs participant of date certification period expires and date by which household must submit application for recertification to receive uninterrupted benefits; explains consequences of failure to apply for recertification in timely manner
Notice of Denial	Provides explanation of basis for denial
Notice of Adverse Action	Provides clear statement of proposed action, date of action, and reason for proposed action (e.g., reduction in benefits and change in household situation, particular act of noncompliance committed, proposed period of disqualification)
Notice for Mass Changes	Notifies all households whose benefits are reduced or terminated when State agency makes mass change in SNAP eligibility or benefits
Notice of Consolidated Work Requirements	Explains pertinent work requirements for each household member, including general work requirements, employment and training requirements, and able-bodied adults without dependents work requirements

FNS also regulates notices for program access and integrity and for civil rights provisions. All notices must include the Non-Discrimination Statement (7 C.F.R. § 272.4(b)). Notices must also comply with the bilingual requirement as described in 7 C.F.R. § 272.4(b) to ensure meaningful program access to individuals with limited English proficiency.

SNAP notices are computer generated and sent via first-class mail. Many State agencies use eligibility systems that allow electronic notices to be shared with program applicants and participants through online portals. Many State agencies have also implemented mobile communication strategies using email and text message reminders.

Change needed. ADSEF would need to develop SNAP certification notices that meet regulatory requirements. The content, frequency, and timing of client notifications would need to be adjusted to match SNAP policy requirements to ensure program access, program integrity, and civil rights provisions. SNAP certification notices would need to be program driven, depending on how Puerto Rico implemented SNAP and the waivers ADSEF requested for program administration.

3. Stakeholder Feedback

The study team interviewed FNS staff, ADSEF staff (including the Oficina de Relaciones con la Comunidad [Community Relations Office]), and CBOs that support the needs of marginalized populations, such as individuals with HIV, survivors of domestic violence, or individuals experiencing homelessness. Interviewees provided insight into SNAP and NAP outreach and communications.

Regarding NAP outreach, CBO and ADSEF stakeholders shared that word of mouth is the most common network for sharing program information on the island. It is a common cultural practice for participants to share their knowledge about NAP with their families and friends and serve as mentors to those who do not participate in the program. Stakeholders recognized this as a potential strength for transitioning from NAP to SNAP, as community members would share what they learn about the program organically.

Outreach and Participant Communications Stakeholders Interviewed

- FNS National Office
- ADSEF central office staff
- CBOs

Stakeholders reported that NAP participants are accustomed to receiving program updates through television, radio, or social media. The Community Relations Office provided some examples of major communications campaigns ADSEF has conducted to share critical information with NAP participants. One such effort took place in response to Hurricane Maria, when ADSEF used a mass media campaign to inform Puerto Ricans of the availability of NAP relief funds. ADSEF also set up NAP booths in regional parks, malls, and the San Juan convention center for eligible individuals to apply for NAP relief. This was described as a significant undertaking across the island that could inform communication efforts to let Puerto Ricans know about a transition from NAP to SNAP.

ADSEF staff also reported significant challenges with phone infrastructure: There are too few phone lines operating in local offices, and phone lines are often out of service. When calls are not answered by the appropriate local office, participants call the Community Relations Office for matters that could be resolved at the local level. Addressing issues with the communication infrastructure could alleviate the burden on the Community Relations Office and free time to focus on SNAP Outreach and establishing partnerships with CBOs to conduct outreach to potentially eligible participants.

CBOs working with participants experiencing homelessness shared that those participants may use the CBO's address to receive notifications, and CBOs have social workers who can distribute the notifications accordingly. CBOs did express concern about losing contact with participants who move from one region to another, which would pose challenges in getting program notices to participants in a timely manner. Community stakeholders shared that in general, participants know what to do when

they receive a notification regarding their NAP benefits. However, CBOs recognized that participants often find the instructions for recertification in form ADSEF-108 challenging, and they may not follow them in a timely fashion, resulting in their NAP cases being closed. CBOs also reported that participants often ask questions about how the benefit amounts were calculated, which is unclear from the standard notices.

4. Implementation Considerations

Prior to SNAP being rolled out in Puerto Rico, ADSEF leadership should consider working closely with the Community Relations Office and other stakeholders to develop a comprehensive public awareness campaign to inform residents about the transition from NAP to SNAP. ADSEF could consider securing a communications contractor to develop and execute this campaign, including conducting a formative assessment of consumer needs and preferences and developing and disseminating communications materials.

Separate from the broad public awareness campaign for all potential SNAP participants, ADSEF would need to develop specialized communications for NAP participants to explain potential changes in eligibility and benefits. It would be particularly important to reach those who may lose nutrition assistance benefits under SNAP (i.e., older adults, people with disabilities, postsecondary students, farmers and farmworkers, and veterans). Under NAP, ADSEF does not collect all the information required to make SNAP eligibility and benefits determinations, meaning it would not be possible to know precisely which NAP participants would lose benefits or eligibility. It could be helpful for ADSEF to direct people likely to lose benefits to information and tools that can provide them with greater certainty about what will happen with their nutrition assistance benefits (e.g., a robust SNAP eligibility and benefits estimator tool; a helpline run by ADSEF and/or community organizations to assist people unsure of how to use the tool).

As part of the communications with people losing nutrition assistance benefits, ADSEF could highlight other sources of financial and nutrition assistance. Information about how to access these supports could be provided prior to SNAP implementation and alongside denial notices for SNAP applicants not eligible for the program. Before recommending any specific resource to NAP participants losing nutrition assistance benefits, ADSEF would need to thoroughly assess the capacity of these resources. It is unlikely that these resources have the capacity to fully meet needs met by NAP, so significant investments would be needed prior to SNAP rollout and on an ongoing basis.

If ADSEF chooses to implement SNAP Outreach, it would need to draft a SNAP State Outreach Plan during the planning phase to guide outreach activities and work closely with CBOs to establish collaborative agreements so these organizations could serve as partners.

Organizational and Operational Effects

- If opting to implement SNAP outreach, ADSEF would be required to develop a SNAP Outreach Plan as part of its State Plan of Operations.
- SNAP Certification Notices would need to be developed to meet SNAP policy and should follow best practices for comprehension, readability, usability, and presentation.

Technical and Infrastructure Effects

- SNAP data systems should support the development and distribution of all appropriate notices according to program regulations.

ADSEF would need to develop a set of new notices that follow SNAP policy regulations and civil rights requirements. Initial drafts of SNAP certification notices and other client-facing materials would need to be developed and tested with potential SNAP participants during the planning phase of SNAP implementation, when certification and benefit issuance procedures have been determined. Revised drafts should be submitted for review and comment by the MARO Operations Division and FNS Civil Rights Division to ensure civil rights requirements are met before document implementation. All materials would need to be approved and finalized by the end of SNAP planning and prior to rollout. SNAP notices would be incorporated in the development of SNAP data systems to automate the distribution of notices in accordance with FNS regulations. ADSEF is encouraged to review FNS support and guidance materials to develop effective SNAP client notices (USDA FNS, 2014a; 2020c).

B. Fair Hearings

NAP participants and applicants can appeal NAP decisions on their cases. The appeals process provides participants and applicants with the opportunity to present their case to a neutral third party. Actions that can be appealed include delays in processing the application; rejection of an application; disagreements with the amounts of assistance provided; and disagreement with disqualifications, reductions, and/or suspension of NAP assistance (ADSEF, 2020).

Similarly, SNAP State agencies must provide participants with the opportunity for a fair hearing for any administrative actions taken other than those related to intentional program violations. State agencies must inform individuals of the process to file complaints and request a fair and impartial hearing. During these hearings, an administrative law judge reviews the evidence and decides the case; the hearings may be offered at either the local or State agency level. If participants wish to appeal administrative law judge decisions, they may appeal through the court system outside the State agency.

1. NAP Processes

NAP Regulation 7757 grants the Adjudicative Board legal authority to consider and resolve disagreements with NAP actions that adversely affect retailers, participants, and applicants through an appeals process. Participants are notified of their rights to a hearing when applying for NAP and when they express verbal disagreement with a decision (e.g., to local NAP staff processing their application). An official examiner presides over adjudicative hearings; maintains the documents, notifications, and orders of every appeal; and recommends resolution to the Adjudicative Board at the conclusion of the hearing.

Participants, applicants, or their authorized representatives must file an appeal verbally or in writing within 15 days of the written notice of action taken. Upon receipt of an appeal, the Adjudicative Board Director (or the official examiner) will notify all parties of a hearing date within 30 days of the appeal and at least 15 days prior to the hearing date. Hearings typically occur at the regional NAP offices; however, they may also occur at the ADSEF central office or near a local office, depending on the participants' location and availability.

Upon completion of the hearing, the official examiner has 30 days to prepare a written resolution for the Adjudicative Board members' consideration. The resolution includes recommendations, facts determinations, and legal conclusions for review. The Adjudicative Board should make the final decision within 90 days of the initial hearing. Appellants may submit a reconsideration petition on the Board's decision within 20 days, and the same process is revisited with a final resolution filed by the Board

within 90 days of the reconsideration petition. If an appellant disagrees with the final decision, they may appeal to a court of law.

During the appeals process, the appellant is given the option of continuing receipt of benefits without changes; however, a rejection of the appeal requires all excess benefits to be repaid. Alternatively, if the appellant declines to continue benefit receipt without changes and the appeal is decided in their favor, the benefits lost during the appeals process will be restored retroactively.

2. SNAP Requirements and Changes Needed

SNAP fair hearings are governed by 7 C.F.R. § 273.15, which requires State agencies to “provide a fair hearing to any household aggrieved by any action of the State agency which affects participation of the household in the Program.” SNAP hearings must be conducted by an impartial official, who can be an employee of the State agency or another public agency, or a panel of officials of the State agency expressly appointed to conduct hearings. Households must be notified in writing at the time of their SNAP application of a right to a fair hearing, how to request a hearing, and that another household member or a representative may request the hearing on their behalf. Households that express disagreement with an agency action verbally at a local, regional, or State SNAP office or by phone are reminded of their right to request a hearing and are informed of individuals or organizations that provide free legal representation.

State agencies may elect to conduct fair hearings at the State agency or local level, or a combination of both in which local level hearings are held in specific project areas. Households have the right to request a hearing for any adverse actions that occurred within the prior 90 days; households can dispute benefit levels at any point during their certification period. Households must be notified of the date, time, and place of the fair hearing at least 10 days prior to the hearing. Federal regulation also specifies timely action on hearings, including conducting the hearing, deciding, and notifying households of the decision within 60 days for State level hearings and 45 days for local level hearings. Appeals of decisions must be heard and a decision reached within 45 days of receipt of the appeal.

State agencies must also meet other requirements, including making materials relevant to the hearing available to a household or its representative free of charge, providing bilingual staff or interpreters, and ensuring hearing procedures are verbally explained to households. States must also allow for continuation of benefits prior to the notice of adverse action if the certification period has not expired and the household does not waive the continuation. If an adverse action is upheld, the State agency would need to establish a claim against the household to recoup any amount owed to the program due to overpayment of benefits. Finally, States must budget for and track administrative spending for conducting SNAP fair hearings (reported using form 366-A), and report to FNS all activities related to fair hearings, including the numbers of hearing requested and held, the numbers of decisions upheld, reversed, and overdue, and the number of withdrawn requests (form 366-B).

Change needed. The NAP fair hearings processes are similar to SNAP’s. Puerto Rico would need to designate a hearing official to conduct the hearings and designate a hearing authority who can render a final administrative decision. These same roles are filled for NAP by the Adjudicative Board Director and official examiner, respectively, within the Department of the Family. Puerto Rico would need to extend the time for submission of an appeal to 90 days (versus 15 days for NAP) and reduce the time required to reach a decision from 90 days to 60, if conducting the hearing at the State level, or 45 days if conducted at the local level. ADSEF would also need to ensure other requirements are met, including

making materials relevant to an appeal available to the appellant and providing bilingual staff or interpreters, when needed. ADSEF does not currently report the results of NAP fair hearings to FNS and would need to implement procedures to do so, if transitioning to SNAP.

3. Stakeholder Feedback

The study team interviewed members of the Adjudicative Board who described processes and procedures for conducting fair hearings under NAP and changes they would anticipate with a transition to SNAP. SNAP and NAP processes for conducting fair hearings are similar, and the interviewees did not express concerns for modifying procedures as needed to adhere to SNAP regulations. Some additional planning and coordination between the Adjudicative Board and ADSEF would be required to implement a computerized system for tracking and recording the outcomes of appeals to meet SNAP reporting requirements. At the time of the interviews, the Adjudicative Board was understaffed, requiring an estimated 5 additional support staff to work approximately 600 active appeals cases monthly across all social services programs within the Department of the Family. This would be an important consideration in the planning and rollout phases of SNAP implementation.

Fair Hearings Stakeholders Interviewed

- FNS Program Accountability and Administration Division State Administration Branch
- Adjudicative Board of the Department of the Family of Puerto Rico

4. Implementation Considerations

The fair hearing process in place under NAP is similar to requirements for SNAP fair hearings; aligning existing fair hearings processes would have little impact on the overall SNAP implementation plan and timeline.

Because the Adjudicative Board is responsible for hearings on ADSEF programs and programs operated by other agencies in the Department of the Family, ADSEF would not have full control over fair hearings processes or procedures. ADSEF would need to work with the Adjudicative Board during SNAP implementation to develop a strategy and computerized system for tracking outcomes of appeals, as required for reporting on FNS Form 366-B.

SNAP rollout would require eligibility and benefit determinations for approximately 861,000 households and could result in a relatively high number of appeals because of NAP participants' lack of familiarity with SNAP (e.g., former NAP participants denied SNAP eligibility may appeal the decision). Over the long term, cases would level off, but the Adjudicative Board should still expect more cases than with NAP as a result of the increased caseload. By the end of the planning phase, ADSEF and the Adjudicative Board would need to have a hiring plan in place that includes the number of positions required and the qualifications and responsibilities of each staff member.

Organizational and Operational Effects

- Timing of notifications, hearings, and decisions would need to comply with SNAP requirements.
- Additional staff might be required to fulfill functions during SNAP rollout because of the potential for a sudden increase in the number of fair hearings requested.

Technical and Infrastructure Effects

- Procedures and electronic systems would need to be developed for documenting fair hearings processes and outcomes.

C. Ensuring Civil Rights

NAP activities are regulated by State and Federal laws to ensure nondiscrimination and equal opportunity access to all individuals. ADSEF requires that NAP notifications include the nondiscrimination statement and that NAP applicants and participants be informed of their civil rights protections. Current procedures to investigate civil rights complaints in NAP are handled by the FNS Civil Rights Division.

Similarly, SNAP agencies must comply with all civil rights protections under Federal law. State agencies are prohibited from discriminating against any applicant or participant in any aspect of program administration, including the certification of households; the issuance of coupons; the conduct of fair hearings; or the conduct of any other program service for reasons of age, race, color, sex, disability, religious creed, national origin, or political beliefs. The State agencies must also ensure expanded protections for discrimination based on sex.⁷⁹ USDA requires SNAP agencies to follow a Civil Rights Assurance Agreement stating they agree to comply with all applicable civil rights laws and regulations. The FNS Civil Rights Division usually handles civil rights complaints for State agencies that choose not to develop systems to process civil rights complaints.

1. NAP Processes

NAP Regulation 8684 includes ADSEF's current nondiscrimination clause (Article 7) and policies and procedures to ensure equal opportunity participation for all individuals (Articles 77–80). The program guarantees equal opportunity according to U.S. State and Federal laws and ADSEF's internal policies. NAP documents, such as the NAP requirements overview (Departamento de la Familia, n.d.), inform applicants and participants that the program does not discriminate based on race, color, sex, national origin, age, or disability. All NAP recipients must sign Form ADSEF-106-E to certify they have been oriented to their civil rights. The form must be included in the case file and is checked during case reviews.

According to Article 78, participants may file a complaint for discrimination based on any of the protected classes (see text box) within 180 days of the event triggering the complaint. Complaints may be filed directly with the Office of the Assistant Secretary for Civil Rights by mail, phone, email, or fax. Participants may also file a complaint in person at the central, regional, and local offices by filling out form ADSEF-PAN-163-Querellas por Discrimen (Discrimination Complaints). ADSEF must send these complaints to the Office of the Assistant Secretary for Civil Rights within 5 business days of receiving it. Internally, ADSEF keeps a record of civil rights complaints using form ADSEF-PAN-TANF-163 B Registro de Querellas por Discrimen (Registry of Discrimination Complaints).

Protected Classes Under NAP (Article 7)

- Race
- Color
- National origin
- Sex
- Age
- Disability

The FNS Civil Rights Division is responsible for investigating NAP civil rights claims with support from CAO. CAO helps facilitate the process and mitigate any language barriers during the investigation. The FNS Civil Rights Division also conducts compliance reviews every 3–5 years to assess how NAP laws and

⁷⁹ On June 15, 2020, the U.S. Supreme Court affirmed the prohibition of discrimination based on sexual orientation and gender identity under Title VII of the Civil Rights Act of 1964 protections on sex discrimination (See *Bostock versus Clayton County, Georgia*, 590 U.S., 2020). These protections are also included in the Executive Order on Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation published January 20, 2021 (Executive order No. 13988).

regulations are being implemented. Management evaluations, which are conducted to review program implementation, include a civil rights portion.

ADSEF has a civil rights coordinator responsible for planning and delivering civil rights training every year to eligibility workers and supervisors. These trainings are typically conducted face-to-face but have been conducted virtually in response to the COVID-19 pandemic restrictions.

Given the linguistic context of Puerto Rico, where most of the population is comfortable speaking in Spanish, NAP provides special considerations to ensure proper participation of English speakers in the program. NAP Regulation 8684 article 77 states that ADSEF is responsible for providing “English proficient staff to assist persons upon request.” Article 77 also states that offices should provide an interpreter for individuals with hearing loss.

2. SNAP Requirements and Changes Needed

State agencies must comply with all civil rights provisions as summarized in the USDA Civil Rights Policy Statement (USDA, 2021) and as outlined in FNS Instruction 113-1 Civil Rights Compliance and Enforcement, Nutrition Programs and Activities. This instruction provides USDA FNS policy and guidance for compliance with Federal law prohibiting discrimination in all FNS-funded nutrition activities. Under SNAP Policy 7 C.F.R. § 272.4(b), Bilingual Requirements, State agencies must make reasonable accommodations to ensure meaningful access to individuals with limited English proficiency. State agencies must also provide reasonable accommodations to ensure program access to individuals with disabilities. SNAP participants could request for certification materials and notices to be provided in alternative formats (e.g., large print, braille, screen reader-accessible electronic file).

Protected Classes for SNAP

- Race
- Color
- National origin
- Age
- Disability
- Religious creed
- Political beliefs

Federal regulations require (under 7 C.F.R. § 272.2(b)) that State agencies include a statement of civil rights assurance as part of their State Plan of Operations, in which the State agency agrees to comply with all applicable civil right laws and regulations. State agencies must include the nondiscrimination statement in all SNAP certification notices provided to applicants and participants. Written materials, forms, and websites that provide information about programs or funded activities must also include appropriate nondiscrimination information. The nondiscrimination statement must be made available in English and in any other languages appropriate to serve the local community; USDA provides this statement in multiple languages online.

FNS also requires that State agencies collect racial and ethnic data from SNAP applicants, participants, and potentially eligible individuals in accordance with civil rights regulations. As a result, State agencies are required to establish and maintain systems for collecting these data and must report the information to FNS through *FNS-101, Participation in Food Programs* (under 7 C.F.R. § 272.6(g)).

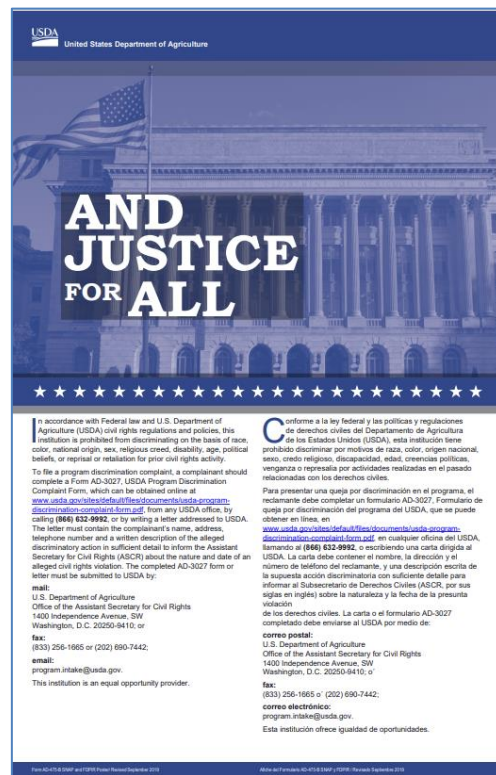
To file a complaint, individuals can follow the information provided in the nondiscrimination statement contained in all public-facing program materials, or in the *And Justice for All* poster (USDA, n.d.). Individuals may file a complaint by filling out a form online, calling a toll-free number, writing a letter, or sending a fax or email. When the Office of the Assistant Secretary for Civil Rights receives an allegation for review, it determines whether the allegation is an actual complaint under civil rights authorities and then verifies it was filed in a timely manner (within 180 days of the event that triggered the complaint).

If so, the complaint is sent to the appropriate Regional Office for investigation. To keep track of the complaints, Regional Offices use a system called the Program Complaint Management System (PCMS)—a nationwide system that covers SNAP and other FNS programs.

The investigation must take no more than 180 days and must include all relevant parties. The corrective actions resulting from findings in favor of the complainant depend on the nature of the violation.

The FNS Civil Rights Division is responsible for providing technical assistance and oversight to the State agencies in each region across all FNS programs and investigating civil rights complaints for most State agencies. The FNS Civil Rights Division is also responsible for conducting Preaward and Routine Civil Rights Compliance Reviews to determine if SNAP is being administered in compliance with civil rights requirements at the State agency and local level.

Change needed. If Puerto Rico implements SNAP, ADSEF would need to ensure all civil rights regulations are followed. ADSEF would need to include the civil rights language on all client-facing materials, including the website and any other online portal, to reflect the expanded list of protected classes. ADSEF would need to assess the extent to which materials would need to be produced in languages other than Spanish and English.⁸⁰ ADSEF would need to ensure SNAP data systems have the capability of collecting and tracking racial and ethnic data to report to FNS. Finally, USDA would need to update the PCMS to change the name of the program in Puerto Rico and to add all appropriate reasons for civil rights complaints.



3. Stakeholder Feedback

The study team interviewed the FNS Civil Rights Division, MARO civil rights staff, and ADSEF leadership and staff to learn about NAP and SNAP civil rights provisions and nondiscrimination requirements. MARO indicated ADSEF would need robust civil rights training to ensure all staff, from eligibility workers to leadership, are knowledgeable about civil rights protections under SNAP. CAO would likely collaborate with the FNS Civil Rights Division to assist during training.

Civil Rights Stakeholders Interviewed

- FNS Civil Rights Division
- FNS MARO Civil Rights Branch
- ADSEF central office staff

4. Implementation Considerations

During SNAP planning, ADSEF would need to develop standard operating procedures for ensuring civil rights protections and handling of complaints in compliance with FNS Instruction 113-1. ADSEF could

⁸⁰ 7 CFR Part 15 requires State agencies to conduct a needs assessment using a four-factor analysis to determine which additional steps would be required to ensure meaningful access to participants with limited English proficiency and, in the case of Puerto Rico, to those with limited Spanish proficiency.

update procedures for NAP to create the SNAP public notification system that informs individuals of the program, the nondiscrimination statement, and procedures for filing a civil rights complaint. It would also include making sure all client-facing materials, such as the program application, notices, change reporting forms, and periodic reports, include the approved FNS nondiscrimination statement. ADSEF would have to plan to conduct civil rights compliance reviews to ensure adherence to regulations within local agencies.

As part of SNAP planning, ADSEF would also need to decide how it would handle civil rights complaints. State agencies may develop and use a State agency complaint system. However, many State agencies refer civil right complaints directly to FNS, which is ADSEF’s approach under NAP. Given that the FNS Civil Rights Division handles NAP civil rights complaints, referring them to FNS would not present a major change from current operations. However, if ADSEF decides to handle civil rights complaints internally, this would require developing a tracking system and hiring and training civil rights specialists to review complaints and determine the appropriate course of action. ADSEF would need to develop procedures for registering complaints, documenting and conducting investigations, and writing decision letters. The agency would need to submit reports to the FNS Civil Rights Division and carry out any necessary corrective actions. ADSEF would have to describe procedures for handling civil rights complaints in the State Plan of Operations and collaborate with the FNS Civil Rights Division to ensure the plan is in compliance with civil rights regulations.

Organizational and Operational Effects

- If ADSEF elects to have the FNS Civil Rights Division handle civil rights complaints, minor changes will be needed operationally.
- If ADSEF elects to handle civil rights complaints internally, it will need to hire and train civil rights specialists to process discrimination complaints.
- A new tracking system would be required if ADSEF decides to handle civil rights complaints internally. FNS does not require it to be electronic.

Technical and Infrastructure Effects

- Data systems updates would need to include functionality for collecting and reporting racial and ethnic data in accordance with FNS policy.
- FNS would need to update the PCMS to reflect the program change in Puerto Rico.

During SNAP testing and training, ADSEF would need to train SNAP staff at all levels on appropriate handling of civil rights complaints. For instance, under NAP, the Community Relations Office regularly receives phone calls and emails with possible discrimination complaints. While ADSEF’s in-house investigations typically identify many of these initial complaints as a category of “rude treatment” (or “trato rudo,” as defined in NAP Regulation 8684), processes under SNAP may require these phone calls and emails to be directed to the FNS Civil Rights Division or the State civil rights division.

D. Financial Management and Reporting

Under NAP, MARO is responsible for disbursing funds to Puerto Rico for benefits and NAP administration and for conducting financial management reviews. ADSEF is responsible for NAP administration and financial management and uploads financial reports to FNS using the Food Programs Reporting System (FPRS), an online application requiring a level 2 eAuthentication account and accessed using login credentials or a Personal Identity Verification card. ADSEF submits routine monthly, quarterly, and annual reports to FNS. The monthly reports provide details on NAP participation, benefit issuance, and benefit redemption. The quarterly reports provide details on the status of claims against households, as well as budgetary information for four administrative categories.

For SNAP, the Federal Government disburses funds for benefits to vendors and provides State agencies with funding for 50 percent of their administrative costs. FNS is also responsible for conducting financial management reviews for all State agencies under SNAP and requires routine monthly, quarterly, and annual reports to be submitted typically via FPRS. SNAP also requires detailed reports specific to certain program components not offered by NAP, including SNAP E&T, SNAP-Ed, and D-SNAP. NAP and SNAP financial reports are similar, although SNAP reports require more detailed cost reporting than NAP.

1. NAP Processes

ADSEF's Office of the Assisting Administrator for Finance and Budget supports NAP financial and administrative activities. The office prepares Federal reports and annual budgets, oversees cash management and accounts payable, and coordinates with Evertec Group in processing NAP benefits. Expenses are tracked in the Puerto Rico Integrated Financial Accounting System (PRIFAS), the central government accounting system, which allows the Finance Division to reconcile expenses and budgets. During the reconciliation process, the Finance Division manually reviews expenses to ensure they are allowable under NAP. PRIFAS provides input to many NAP financial reports.

Data of issuance, participation, benefit reconciliation, and claims against households are prepared by the ADSEF Oficina de Tecnología e Información (OTI, Office of Technology and Information) and reviewed by the Office of the Assisting Administrator for Finance and Budget, which submits the forms to FNS.

NAP provides FNS with monthly reports, including data on NAP participation, benefit issuance, and the estimated value of benefit redemption that month. Quarterly reports include the status of claims against households and the SF-425 Federal Financial Report. The SF-425 provides quarterly costs for four administrative categories—total operating costs, automated data processing (ADP) operations, nutrition education, and EBT issuance. An annual report provides projected costs for the subsequent program year on these same four categories. Of note, ADSEF aggregates operating costs for certification, QC, management evaluation, fraud control, and fair hearings.

In addition to financial reports, NAP prepares reports on retailers, disaster funds, and nutrition education as follows:

- ▶ **Retailer reports.** Four monthly retailer reports are submitted to FNS: NAP Retailer Analysis Report, Complaints Report (complaints against retailers and the money recovered by ADSEF), NAP Family Markets report, and a Non-Redeeming Report (also known as Zero Redeemers).
- ▶ **Disaster funds.** For the 2017 hurricanes, ADSEF submitted quarterly reports showing the dollar amount of disbursed disaster funds separate from existing NAP funds using the FNS-778 and quarterly budget projections for disaster relief funding using the FNS-366A.⁸¹
- ▶ **Nutrition education.** The NEP home economists prepare and submit monthly reports to FNS that include the sites visited, counts of participants reached, and results of knowledge tests administered to program participants.

⁸¹ According to the FY 2021 D-NAP Plan, for future disasters, ADSEF plans to submit daily certification and denial reporting using the same Excel workbooks FNS has developed for D-SNAP operations. ADSEF will also submit final disaster figures this way, including the number of households issued disaster benefits, the number of persons issued disaster benefits, the number of active households issued disaster supplements, and the value of benefits issued on the FNS-292B and FNS-388.

2. SNAP Requirements and Changes Needed

State agency SNAP performance is monitored through a series of reports State agencies are required to submit monthly, quarterly, and annually. Many of these reports are submitted through FPRS. The Regional Offices review and certify the accuracy of the data submitted before the information is conveyed to the FNS National Office. The FNS National Office provides an additional review, and the data then are uploaded into the National Data Bank, where various entities can access the data for analytic or planning purposes.

SNAP finance and budget and program activity. Under SNAP, State agencies submit multiple financial and budgetary reports. State agencies are required to submit data on the status of claims filed and collected using FNS-209. Claims are reported both by the number of claims and dollar value, and are disaggregated by type: intentional program violation, inadvertent household error, and State agency administrative error. SNAP Budget Summary Statements (forms FNS-366A and 366B) and the Federal Financial Report (FNS-778) require detailed administrative costs, including certification, Quality Control, management evaluations, program integrity, and costs related to SNAP E&T, SNAP Outreach, SAVE data matching, ADP development, and EBT startup funds. The program activity statement of FNS-366B provides detailed information about the number of initial applications and recertifications, fair hearings, fraud investigations, administrative disqualification hearings, and prosecutions. State agencies use FNS-388 to submit data on the dollar value of benefits issued and the number of participating people and households; FNS-388A separates the number of participating people and households out by project area. The FNS-46 report accounts for benefits issued during a report month and demonstrates benefit reconciliation.

Quarterly E&T Reporting Measures (FNS-583)

- Number of new work registrants
- Number of ABAWD applicants and recipients participating in qualifying components
- Number of all other applicants and recipients (including ABAWDs involved in nonqualifying activities) participating in components
- Number of ABAWD case months used under the State agency's 12 percent exemption allowance
- *(In the fourth quarter)* Number of people who participated in each SNAP E&T component by ABAWD status and overall

SNAP E&T. State agencies are required to submit quarterly and annual reports describing SNAP E&T participants and outcomes. Mandatory SNAP E&T programs have additional reporting requirements. The quarterly reports (submitted via the FNS-583 form) provide quarterly counts of the number of work registrants and SNAP E&T participants served by the State agencies (see text box). The SNAP E&T annual outcome reports provide information on the national reporting measures,⁸² including characteristics of SNAP E&T participants,⁸³ and outcome measures for each SNAP E&T component provided by the State.

⁸² The national reporting measures follow: the number and percentage of current and former participants in unsubsidized employment during the second quarter after completion of participation in SNAP E&T; the median quarterly earnings of current and former participants in unsubsidized employment during the second quarter after completion of participation in SNAP E&T; the number and percentage of current and former participants in unsubsidized employment during the fourth quarter after completion of participation in SNAP E&T; the number and percentage of current and former participants who completed a training, educational or work experience, or an on-the-job training component; and participant characteristics.

⁸³ The participant characteristics tracked on the annual report are voluntary versus mandatory participants; have received a high school degree prior to being provided with SNAP E&T services; are ABAWDs; speak English as a second language; are male or female; are within each of the following age ranges: 16–17, 18–35, 36–49, 50–59, 60 or older

The reports also include measures for ABAWD pledge State agencies.⁸⁴ Examples of the component measures from the SNAP E&T State Plan Handbook (USDA FNS, 2021f) follow:

- ▶ The percentage and number of program participants who received SNAP E&T services and are in unsubsidized employment after receiving those services
- ▶ The percentage and number of participants who gained skills likely to lead to employment as measured through testing, quantitative, or qualitative assessment or another method
- ▶ The percentage and number of participants who obtain a recognized credential, including a registered apprenticeship or a regular secondary school diploma or its recognized equivalent, while participating in, or within 1 year after receiving SNAP E&T services
- ▶ The percentage and number of participants who do not comply with SNAP E&T requirements and become ineligible for SNAP under Section 6(b) of the Act

D-SNAP. SNAP agencies must submit reports to FNS during and after the D-SNAP. During D-SNAP operations, SNAP agencies submit end-of-day reports to FNS indicating the number of new households and persons approved to receive D-SNAP benefits, the number of households denied, the total value of D-SNAP benefits, and the average benefit per household. In addition to data on D-SNAP, SNAP agencies must also provide information on supplements provided to ongoing SNAP households. Data on total replacement issuance are reported on the FNS-388 Monthly Issuance Report.

After the D-SNAP ends, SNAP agencies must complete several closeout tasks. If the D-SNAP was conducted in person, the D-SNAP site must be closed down. Within 45 days of the end of the D-SNAP, SNAP agencies must submit final data on D-SNAP approvals and issued benefits using the FNS-292B. The final report must include the following data:

- ▶ Number of new households issued D-SNAP benefits
- ▶ Total number of new persons issued D-SNAP benefits
- ▶ Number of ongoing households issued supplements
- ▶ Total value of benefits issued to new households and supplements issued to ongoing households

SNAP agencies must also note the number of claims established and collected against D-SNAP benefits in the FNS-209 and detailed issuance and participation figures in the FNS-46. Within 6 months of the end of the D-SNAP, the State agency must submit a postdisaster review report, which includes the following:

- ▶ Information on the disaster and program background and details
- ▶ A comprehensive review of program operations, including a summary of D-SNAP operations, such as certification systems used, the application period; public information and outreach; EBT card issuance; program integrity measures undertaken; how program accessibility was guaranteed; and any major problems encountered
- ▶ A quality control review of a random sample of 0.5 percent of new D-SNAP cases (a minimum of 25 cases and up to 500 cases total) and 100 percent of all approved State agency employee applications

⁸⁴ States that commit to providing SNAP E&T services to ABAWDs at risk of losing SNAP eligibility because of time limits.

- ▶ Proposed changes to the D-SNAP Plan or internal policies, including lessons learned and best practices and recommended updates to the FNS D-SNAP guidance

SNAP-Ed. State agencies are required to monitor SNAP-Ed interventions using appropriate indicators and outcome measures, such as those identified in the FNS SNAP-Ed Evaluation Framework that are specific to each intervention and the overall intended impact of the SNAP-Ed Plan. At the end of the Federal fiscal year, State agencies and implementing agencies are required to prepare the SNAP-Ed Annual Report that provides an overview of SNAP-Ed activities and outcomes, administrative expenditures, a summary of formal evaluations completed during the reporting fiscal year, and a description of planned improvements for the next fiscal year.⁸⁵ State agencies are also required to submit standardized data on programmatic outputs through the Education and Administration Reporting System (EARS). In most cases, EARS data are due to FNS by December 31, and the Annual Report is due to FNS by January 31. EARS reporting elements include the number and demographic characteristics of direct education participants, characteristics and reach of interventions implemented during the reporting year, and partners State agencies worked with to implement SNAP-Ed.

Change needed. If SNAP were implemented in Puerto Rico, ADSEF would need to provide more detailed reports to FNS, many of which would be submitted electronically through FPRS (see table 13.3). Several SNAP reports (e.g., FNS-209, SF-425) require more detail on SNAP activities than analogous reports for NAP, such as fraud investigations, fair hearings, administrative disqualifications, QC, and ADP. ADSEF currently budgets for and reports these costs as part of an overall operating cost budget, whereas SNAP requires detailed reporting for each program area. ADSEF would also be required to submit separate reports on SNAP E&T and SNAP-Ed activities, the race and ethnicity of participants, and the results of fair hearings, program integrity investigations, and administrative disqualification hearings. However, because information on issuance and redemption would be submitted automatically through the EBT database, ADSEF would no longer need to include data on issuance and redemption in its financial reports. The following are among the changes that would take place in transitioning from NAP to SNAP:

- ▶ **Retailer reports.** SNAP State agencies are not responsible for producing retailer reports; ADSEF would no longer produce retailer reports. The EBT processor would provide FNS with transaction data daily.
- ▶ **D-SNAP.** ADSEF reports final disaster funding figures using FNS-292B and FNS-388 reports and is developing plans to submit daily certification and denial reporting using the same tools as D-SNAP. Under SNAP, ADSEF would need to develop a more detailed accounting system and eligibility system to accurately produce these reports in the event of a disaster. Sample daily reporting and postdisaster report templates can be found in the FNS D-SNAP Toolkit.
- ▶ **SNAP-Ed.** As of FY 2021, reporting requirements for NEP were minimal. Under SNAP, ADSEF would need to prepare a written narrative SNAP-Ed Annual Report and collect, track, and compile standardized data that conform to the EARS form.
- ▶ **SNAP E&T.** Since NAP does not have an employment and training program, ADSEF would need to implement new data collection and systems for completing the required SNAP forms.

⁸⁵ FNS is currently reviewing and revising the SNAP-Ed Plan and SNAP-Ed Annual Report forms and recently announced it will provide all SNAP-Ed agencies access to a new online system for plan and report form submission. FNS anticipates agencies will start using the new forms and system in FY 2023.

Table 13.3. NAP and SNAP Financial Reports

Frequency	NAP Reports	SNAP Reports
Monthly	<ol style="list-style-type: none"> 1. FNS-388 (PR NAP): State Issuance and Participation Estimates 2. FNS-46 (PR): Issuance Reconciliation Report 	<ol style="list-style-type: none"> 1. FNS-388: State issuance and participation estimates 2. FNS-46: Issuance reconciliation report
Quarterly/ Semiannually	<ol style="list-style-type: none"> 1. FNS-209 (PR): Status of Claims Against Households 2. FNS-388A (PR): SNAP Project Area Data Format (semiannual) 3. SF-425 (PR): Quarterly Financial Status Report 4. FNS-778 (PR): Financial Reporting Worksheet (feeds data into SF-425) 	<ol style="list-style-type: none"> 1. FNS-209: Status of Claims Against Households 2. FNS-388A: SNAP Project Area Data Format (semiannual) 3. SF-425: Quarterly Financial Status report 4. FNS-778: Financial reporting worksheet (feeds data into SF-425) 5. FNS-583: Food and Nutrition Service SNAP E&T Program Activity Report
Annually	<ol style="list-style-type: none"> 1. FNS-366A (PR): Program and Budget Summary Statement Part A, Budget Projection* 	<ol style="list-style-type: none"> 1. FNS-366A: Program and Budget Summary Statement Part A, Budget Projection* 2. FNS-366B: Program and Budget Summary Statement Part B, Program Activity Statement 3. FNS-101: Participation in food programs by race 4. FNS-759: SNAP Education (SNAP-Ed) Education and Administrative Reporting System Form
As needed	<ol style="list-style-type: none"> 1. FNS-292B (PR): Report of Disaster SNAP Benefit Issuance 	<ol style="list-style-type: none"> 1. FNS-292B: Report of Disaster SNAP Benefit Issuance

Note: *In addition to the annual program budget, may be submitted as needed whenever new funds are made available
E&T = Employment and Training; PR = Puerto Rico

3. Stakeholder Feedback

The study team interviewed staff from the Budget Division and Finance Division of the Office of the Assistant Administrator for Finance and Budget. The Budget Division is responsible for working with ADSEF operations staff to develop budget projections for NAP administrative functions. The Finance Division oversees all finances for NAP, including accounts payable and receivable, payroll, payments, collections, and reconciliation, and is responsible for all financial reporting to FNS. While staff were supportive of the transition to SNAP, they expressed some concern about the Finance Division currently being understaffed and how the additional requirements would affect their work. As of June 2021, the Office of the Assistant Administrator for Finance and Budget was handling the staffing shortage by having staff work longer hours and borrowing staff from other agencies to help prepare NAP financial forms and submit to FNS in a timely manner. They noted they would ideally have two additional staff, including another accountant, to meet the needs of NAP. ADSEF staff also noted being particularly overloaded at that time because of additional reporting requirements associated with COVID-19 pandemic funds.

**Financial Management
and Reporting
Stakeholders Interviewed**

- FNS Financial Management Division
- ADSEF’s Budget Division
- ADSEF’s Finance Division

The Finance Division staff work closely with OTI to receive the information on benefit issuance and other reports. Staff members noted the biweekly NAP pandemic funding reports were also posing a significant challenge for OTI and were being submitted monthly instead of biweekly. Staff from the division also noted they would prefer more efficient reports that can be automated through data systems, an area for improvement under SNAP if implemented.

4. Implementation Considerations

While many of the required reports are similar for NAP and SNAP, SNAP reports typically require greater levels of detail, including reporting for intentional program violation and fraud investigations, fair hearings, QC, and ADP. SNAP also requires more annual reports than NAP, including the SNAP E&T Program Activity Report and SNAP-Ed EARS Form.

During the planning phase for SNAP implementation, the auxiliary administrator for finance and budgets should consider conducting a gap analysis to compare information recorded in PRIFAS with the required SNAP financial reporting elements. The gap analysis would indicate whether updates could be made to the current accounting system to accommodate the needs for SNAP reporting, or whether a new accounting system would be required. For instance, ADSEF would need a system and process for tracking SNAP E&T costs and reimbursements, which may be challenging for the current accounting system. The office should also consider the increased workload associated with the additional SNAP reports and create a hiring plan to fill any gaps.

ADSEF would need to work with FNS to update level 2 eAuthentication access to FPRS to ensure the correct reports are submitted. Puerto Rico would also require technical support from FNS for completing newly required forms.

ADSEF would also need to develop data systems to collect the data required in FNS reports, particularly for the following:

- ▶ **SNAP E&T Reporting.** ADSEF would need to develop an approach for tracking data on work registrants, ABAWD time limits, and SNAP E&T participation to meet Federal guidelines. ADSEF would need to consider how it plans to collect the data. State agencies generally build functionality into the SNAP eligibility data systems to track these required data. It would then need staff to compile the data, conduct validation checks, and submit the data to FNS. ADSEF may establish a working relationship with DDEC to access wage data necessary for the national reporting measures. Most State agencies have data sharing agreements and conduct matches with unemployment insurance data to provide these annual data to FNS.
- ▶ **D-SNAP.** In drafting specifications for the D-SNAP data system (see chapter 14, section C.1), ADSEF would need to incorporate features that facilitate automated reporting to FNS.
- ▶ **SNAP-Ed.** ADSEF would need to develop a system for tracking and compiling standardized data, including program reach (e.g., counts and demographics of individuals who participate in direct education classes), partners, and intervention settings. Many State agencies pay to use electronic reporting systems developed by other agencies, such as the Program Evaluation and Reporting System or the SNAP-Ed Electronic Data System. However, use of a sophisticated system is not required. Tracking can be accomplished using tools such as Microsoft Excel.

Organizational and Operational Effects

- Additional staff would be required to produce SNAP financial reports.
- Budgeting would be done by programmatic area (e.g., SNAP E&T, QC, program integrity) instead of in aggregate as under NAP.

Technical and Infrastructure Effects

- Data and accounting systems, such as PRIFAS, must be equipped to track the necessary data and produce the requisite reports on time, including for benefits that could be issued as part of a separate D-SNAP allocation and participation in SNAP-Ed and SNAP E&T.

Chapter 14. Data Systems

This chapter examines NAP data systems in Puerto Rico, SNAP data system requirements, and considerations for creating new data systems or modifying Puerto Rico’s existing data systems to operate SNAP. For the purposes of this chapter, data systems are defined as specific computerized functionalities needed to operate human services programs such as NAP and SNAP. Section A provides a brief background of NAP and SNAP data systems, section B gives an overview of the current NAP data systems, section C lists program requirements of SNAP data systems and changes needed to implement SNAP, section D offers stakeholder feedback, and section E provides an overview of considerations for implementing SNAP data systems.

Data Systems: Key Findings

- SNAP requires data systems with more functionality than current NAP data systems to manage the program and meet all statutory and regulatory requirements.
- FNS and information technology (IT) stakeholders agree it would be most effective and efficient for ADSEF to develop new data systems to operate SNAP rather than update older NAP data systems.
- The costs and time for developing and implementing SNAP data systems, and the policy, program, and technical expertise needed for this project, would be substantial, requiring significant planning and allotment of resources.
- **ADSEF**, with support from the **FNS National Office**, **MARO**, and **CAO**, should design data systems tailored to the policy and program choices made by ADSEF, as well as maintain ownership over the planning and implementation of SNAP data systems that align with these programmatic choices.

A. Background

ADSEF has had great flexibility in developing NAP program rules and eligibility criteria. Although some NAP policies and procedures are similar to those of SNAP, fundamental differences between the programs exist. SNAP is more highly regulated than NAP, with complex program rules, policy options, and oversight from FNS. As such, NAP’s data systems are uniquely tailored to operating the block grant program, and ADSEF has held the responsibility for data system maintenance and operations. NAP’s foundational data systems were developed in the 1990s, and ADSEF has updated these systems to provide targeted functionality over time. The main functionalities of NAP data systems are to assess eligibility and provide benefits.

State agencies use SNAP data systems to determine SNAP eligibility, conduct data verification, issue benefits, and complete case management activities, among many other critical functions and activities. These sophisticated data systems must be able to process myriad complex eligibility and income rules, connect with multiple external interfaces, and allow technical staff to modify and expand data system functionality to align with SNAP policy requirements and improve efficiencies. State agencies that have operated SNAP for decades continue to make significant investments in data systems upgrades in response to the complexity of SNAP processes and requirements.

B. NAP Data Systems

ADSEF workers use NAP data systems primarily to determine eligibility, issue NAP benefits, and track retailers that accept NAP EBT. This section provides an overview of ADSEF’s existing NAP data systems and discusses the limitations of NAP data systems and their application to SNAP.

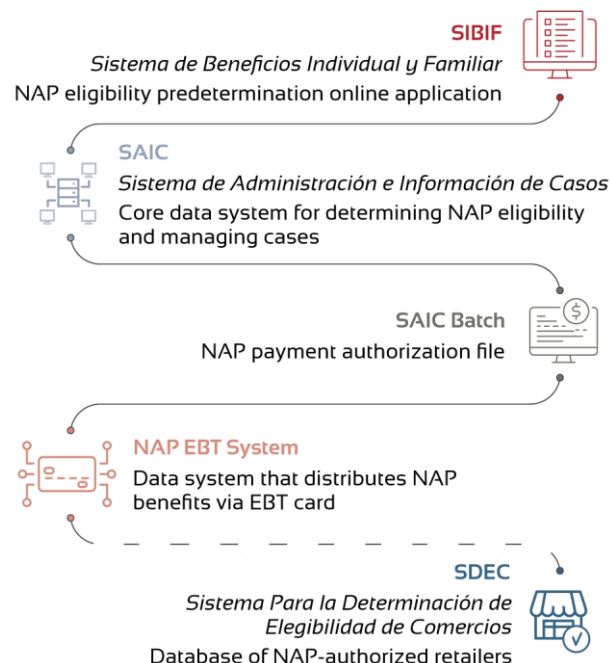
ADSEF uses multiple data systems to determine NAP eligibility, issue benefits, and track retailers. ADSEF’s OTI oversees data systems for NAP and additional programs, such as TANF, and the individual IT contractors responsible for developing, programming, and analyzing these data systems. Many of the NAP data systems have evolved over the last 30 years to apply NAP eligibility requirements and policy updates implemented in response to critical needs, such as disaster assistance after Hurricanes Irma and Maria.

The five primary NAP data systems are Sistema de Administración e Información de Casos (SAIC; Case Management and Information System), SAIC Batch, Sistema de Beneficios Individual y Familiar (SIBIF; Individual and Family Benefit System), NAP EBT, and Sistema Para la Determinación de Elegibilidad de Comercios (SDEC, Retailer Eligibility Determination System). Figure 14.1 shows a high-level representation of the primary NAP data systems. The underlying system, SAIC, is based on outdated technology. For example, SAIC was programmed to be accessed using an internet browser no longer supported by the developer (Microsoft Internet Explorer 7), resulting in staff implementing workarounds to continue to access the system.⁸⁶ SAIC itself has received incremental updates for specific functionalities rather than undergoing more deliberate and comprehensive changes to substantially upgrade underlying technology and align with a modern program implementation framework. Recently modernized NAP data systems such as the NAP EBT system have been updated to allow them to interface with SAIC’s out-of-date infrastructure.

Each of the five primary NAP data systems is described below.

SIBIF is the web-based eligibility predetermination application for NAP. Individuals can enter their information into SIBIF through ADSEF’s website or the 311 call center to learn if they are potentially eligible for NAP. Potentially eligible applicants receive information on how to proceed with completing a NAP application. In addition to new application requests for NAP, SIBIF handles requests related to recertification, case changes such as updates to household characteristics reported by NAP recipients, and case closures. Between May 1 and July 23, 2021, a period of nearly 3 months, SIBIF processed 78,406 requests,

Figure 14.1. Current NAP Data Systems



Note: EBT = electronic benefit transfer

⁸⁶ Microsoft’s website states support for older browsers, including Internet Explorer 7, ended January 12, 2016 (Microsoft, 2021). Support includes security updates and technical support. Respondents explained that Microsoft has continued to provide support, but it has been significantly reduced over time.

of which 29,876 were related to new applications. SIBIF and SAIC connect through an interface that enables online application information from SIBIF to carry over into SAIC. KPG, Inc., an IT contractor, developed SIBIF in 2012 and continues to oversee data system maintenance and operations.

SAIC, ADSEF's automated case management information system, is the core data system that determines eligibility and provides functionality to manage cases for NAP, TANF, and LIHEAP. Staff use SAIC to enter applicants' information, determine eligibility for NAP, and conduct ongoing case management. NAP supervisors can also assign cases to workers and manage workloads directly in SAIC. ADSEF can retrieve metrics from SAIC, including the number of applications received, cases approved, and cases receiving benefits. Digital, an IT contractor, first developed SAIC in 1992. Hewlett-Packard updated the data system in 2008, enabling access via a web-based browser on ADSEF's intranet (internal network) but maintaining separation from the internet or cloud. Leductech Solutions is the primary IT contractor currently supporting SAIC.

SAIC Batch is the NAP payment authorization file. With information from SAIC, SAIC Batch identifies cases authorized to receive benefit issuance during a specific month and makes additional calculations related to claims, adjustments, and retroactive cases. SAIC Batch sends information on benefit recipients and issuance amounts from SAIC to the NAP EBT system. For eligible applicants, this information includes the type and period of issuance, associated program (e.g., NAP, TANF), and amount of benefit, including any adjustments. The information is transmitted in a batch file to the NAP EBT system. Evertec developed SAIC Batch in 2011; Leductech Solutions currently supports it.

The **NAP EBT system** distributes NAP benefits via EBT cards to eligible participants. It also tracks account balances, deposits, and retailers' transactions. Participants receive EBT cards through the mail and can obtain information on their NAP benefits by checking their EBT account online, calling a local NAP office, or checking their account balance at an automated teller machine. NAP EBT cards can be used only in Puerto Rico. The NAP EBT system, administered by Evertec, is part of the broader EBT system in Puerto Rico that distributes benefits for 29 programs of roughly \$500 million per month to approximately 1.3 million people in Puerto Rico. NAP EBT accounts constitute 95 percent of the EBT system in Puerto Rico. To ensure continued operations on the island, the EBT infrastructure is supported by onsite backup systems in Cupey, Puerto Rico, and an offsite, secondary backup system in Arizona; this double redundancy ensures access to the EBT system at all times and facilitates continuous detection of system failure threats and system recovery capabilities. Evertec was responsible for initial development of the NAP EBT system in 2008 and updates applied in 2019 and currently supports its maintenance and operations.

SDEC is the system that creates and maintains the database of authorized NAP retailers. It includes addresses, phone numbers, new applications, and certification information. SDEC sends information to EBT contractor Evertec to process NAP EBT transactions. Before processing a NAP transaction, SDEC verifies that the retailer is among the roster of more than 3,000 approved EBT vendors so the transaction can be approved and executed in partnership with Popular Bank of Puerto Rico. ADSEF regularly (often daily) updates SDEC and provides the approved list of vendors to Evertec. SOFTEC, an IT contractor, developed the former retailer system, SACPAN, also called OCIN, in 2009. SACPAN was updated to SDEC in 2013.⁸⁷ KPG oversees current data system maintenance and operations for SDEC.

Additional data systems. ADSEF uses several additional data systems to support NAP and other programs. They include (1) 311, a telephone line for Puerto Rico residents to call and obtain general

⁸⁷ Most ADSEF and NAP IT contractor respondents continue to refer to SDEC under its former name, SACPAN or OCIN.

information about government services, which could include details about their NAP application and benefits; (2) Random Moment Sampling, a system that collects estimates of worker time on different programs and allocates administrative costs proportionally; (3) MER, ADSEF’s NAP case review system, and (4) PRIFAS, the central government accounting system that allows the Finance Division to reconcile expenses and budgets and provides input to many NAP financial reports.

Planned NAP data systems improvements. ADSEF and its NAP IT contractors have continued to explore NAP data systems updates to expand and improve functionality for eligibility workers and participants. Examples of planned data system modifications include upgrading SIBIF to allow for scanning and uploading documents to an application. ADSEF is also developing SIBIF for use beyond a predetermination tool into an expanded application, allowing for households to submit a comprehensive online application for NAP and additional programs such as TANF. ADSEF is also in the process of developing TurnosPR, an online system for scheduling virtual and telephone appointments with NAP technicians. TurnosPR will include workload management functionality, such as assigning cases to the first available worker. At the time of data collection, ADSEF was in the process of developing and testing each of these data system modifications.

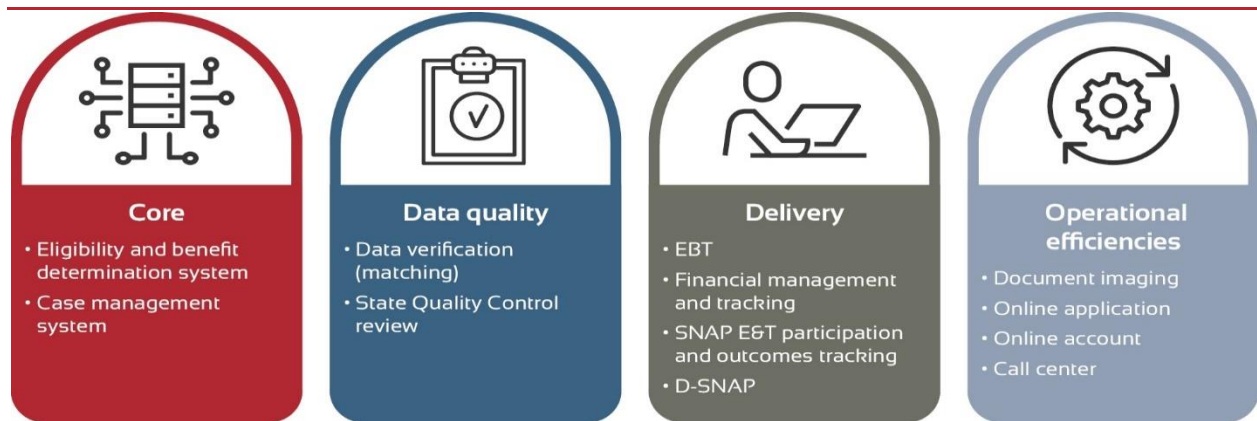
C. SNAP Data Systems

This section provides an overview of SNAP data systems, variation among State agency SNAP data systems, and Federal data systems used for data verification and reporting for SNAP. Each section also describes the significant differences between SNAP and NAP data systems.

1. Overview of SNAP Data Systems

SNAP data systems support workers in completing all functionalities needed to operate SNAP, including determining eligibility and issuing benefits. SNAP data systems fall into four areas: (1) core data systems (e.g., to determine eligibility), (2) data quality data systems (e.g., for data verification), (3) delivery data systems (e.g., to deliver SNAP EBT benefits), and (4) operational efficiencies data systems (e.g., to manage online applications). These functionalities may be incorporated in a single integrated data system or be parts of separate data systems that communicate with each other. FNS does not have specific requirements for how data systems are designed or operated as long as SNAP regulations are followed. Figure 14.2 offers a snapshot of the four SNAP data systems functionalities, described below.

Figure 14.2. Primary SNAP Data Systems



Note: D-SNAP = Disaster SNAP; EBT = electronic benefit transfer; SNAP E&T = Employment and Training

Core data systems. Eligibility and case management systems are central to operating SNAP:

- ▶ An **eligibility and benefit determination system** supports eligibility workers in the following activities: (1) collection and verification of certification criteria to enable household eligibility and benefit determination for SNAP; (2) incorporation of asset and income limits and deductions to income; (3) determination of household structure, elderly or disabled status, work requirements, and ABAWD status; and (4) determination of all other financial and nonfinancial eligibility criteria. The system tracks household certification periods and reporting requirements, issues required notices to households, and transmits data to EBT processing systems for benefit disbursement.
- ▶ A **case management system** (if not included in the eligibility system) is a workload tracking management system for eligibility staff and supervisors. This system can track and assign tasks that require action by an eligibility worker in the eligibility system (e.g., applications to process, verifications to review). Workers can be assigned tasks through this system based on priority and workload, enabling an agency to adequately manage workload around key times of the month (e.g., for recertification). This type of data system can also schedule client appointments and send reminders. Case management systems are typically used when a State agency operates under the casebanking model.

Data quality data systems. The following data systems support activities related to improving data quality:

- ▶ A **data verification (matching) data system** verifies information, such as employment, and identifies duplicate participation during certification processes using Federal data systems, such as NDNH. Some State agencies elect to use additional State (or territory) or Federal data sources. The data system must add disqualified records to eDRS and actions related to fraud detection to FNS through FPRS.
- ▶ A **State QC data system** samples active and negative cases (those determined to be ineligible or terminated from the program), documents findings, and submits findings from reviews to the Federal SNAP QC System.

Delivery data systems. The following data systems support operational delivery of SNAP:

- ▶ An **EBT data system** issues cards and benefits, tracks card replacements, and maintains records of EBT issuances to each household.
- ▶ A **financial management and accounting data system** tracks and produces data for monthly, quarterly, and annual reports to FNS to meet reporting requirements.
- ▶ A **SNAP E&T participation and outcomes tracking data system** collects and reports quarterly participation data in SNAP E&T services and annual outcomes data.
- ▶ A **D-SNAP data system** determines eligibility under accelerated timelines and modified regulations for households with low income affected by a natural disaster.

Operational efficiencies. Data systems which support operational processes for improving efficiencies in delivering SNAP could be considered optional, depending on the program and policy choices made by the State.

- ▶ A **document imaging data system** processes imaging of applications, client notices and forms, and other verification documents.
- ▶ An **online application data system** enables the public to enter application data and connect these data to SNAP workers through the eligibility system (and EBT system if separate) to determine eligibility and benefit amounts and issue benefits. This system could also provide prescreening tools for the public or SNAP workers to assess potential eligibility.
- ▶ An **online account data system** facilitates participants' reporting of changes to eligibility and benefits via the online system. This system also displays changes to eligibility and benefits and provides case management information for SNAP workers.
- ▶ A **call center data system** manages call center contacts; provides general SNAP information and application and benefit status information; and is used to conduct certification interviews, handle customers' complaints, and process changes. In some State agencies, call centers go beyond these functions and more actively engage with participants during household certification and recertification processes.

Change needed. ADSEF's data systems serve similar broad functional categories for NAP as SNAP data systems. For instance, ADSEF maintains data systems to determine eligibility, manage cases, and issue and track EBT benefits. ADSEF also uses systems for case reviews and other activities and is developing additional functionality to digitalize documents and facilitate online applications. For SNAP, ADSEF would need to determine the extent to which NAP data system functionalities align with SNAP's complex program and policy options and enable the agency to meet detailed reporting requirements, discussed below.

2. Variation Among State Agency SNAP Data Systems

State agencies have developed and updated SNAP data systems for decades, incorporating advances in technology and government initiatives, such as funding to improve eligibility systems under the Affordable Care Act. The form and function of these data systems vary across State agencies, given variation in State agency capacity and recipient needs. Some State agencies have a single integrated multifunctional data system, whereas others maintain a network of data systems that communicate and share information. Each State agency develops and modifies data systems to complement its unique program design, policy choices, and operational processes. For example, a call center in one State agency might act as the primary way households interact with the State agency to acquire SNAP benefits, but a call center in another State agency might be one of many ways in which a household can obtain information about its SNAP case. State agencies can also implement processes to support local operational efficiencies, such as allowing SNAP recipients to upload digital documents to their online account in lieu of submitting paper documents to their local SNAP office, resulting in time savings and reduced burden on households.⁸⁸

SNAP data systems are complicated and detailed, requiring substantial resources to align their technical processes with State agency SNAP operations. Even commercial off-the-shelf data systems, with

⁸⁸ Information about the options individual States select for SNAP is available in the latest SNAP Options Report (USDA FNS, 2018c).

preprogrammed SNAP policy adherence and user-ready functionality, can require substantial modifications to bring them into alignment with a State agency’s practices and SNAP policy choices. SNAP data systems are also expensive and time consuming to develop and implement. Based on recent examples from State SNAP data systems projects, FNS estimates a basic SNAP eligibility system would cost over \$300 million and could take 6 to 10 years to design, develop, and fully implement.⁸⁹

Change needed. ADSEF has flexibility in operating and maintaining oversight of NAP operations, policies, and related data systems. As described in detail throughout this report, NAP requirements and policies are at times less regulated than those in SNAP, and entire program components (e.g., D-SNAP, work requirements, SNAP E&T) are not part of NAP. Under SNAP, ADSEF would need to make specific program and policy selections and develop SNAP data systems that both align with those choices and meet Federal requirements.

3. Interactions With Federal Data Systems: SNAP Data Verification and Reporting Requirements

State agencies use Federal data systems to verify information provided by SNAP applicants and households and to submit required SNAP reports and metrics to FNS. SNAP State agency data systems are required to include functionality to interact with Federal, national, and State agency data systems in accordance with Federal requirements for SNAP.

a. Data verification

State agencies conduct data verification (or matching) to confirm program eligibility for new SNAP applicants and changes in employment for existing SNAP recipients. Data verification can be incorporated and automated within SNAP data systems or conducted manually by SNAP workers. State agencies use numerous national data systems for data verification, including Federal data sources, such as the SSA’s BENDIX and IRS income information, and data sources hosted by private companies, such as Equifax’s Work Number. FNS requires SNAP data verification against five national data systems: eDRS, NDNH New Hire file, Prisoner Update Processing System/SSA Prisoner Verification System, SAVE, and SSA Death Master File. State agencies also conduct data verification against available State (or territory) data systems, such as a State birth records database and State Department of Motor Vehicles records. FNS requires data verification against IEVS, which is administered by the State agency, and data sources containing lottery and gambling winnings in State agencies with gaming entities. Appendix C includes a list of national data systems (which could include commercial data systems) and State agency data systems often used to verify data for SNAP.

Change needed. For NAP, ADSEF either currently conducts data verification using or has memorandums of understanding in place for several national data systems, including PARIS. ADSEF also uses several local data systems—including those for Puerto Rico’s child welfare agency and LIHEAP—to verify data. Under SNAP, ADSEF would have to determine which additional data systems it would use to conduct data verification for SNAP and gain or modify existing access to identified data verification systems. NAP technicians often manually conduct data verification and might not receive results for several weeks,

⁸⁹ The FNS State Systems Office provided specific examples of States with extensive SNAP policy experience building SNAP data system projects that cost more than \$50 million. The estimate of 6–10 years is informed by input from the State Systems Office, MARO, and the APD handbook, and is based on experience assisting States in SNAP data systems development projects. This timeline is contingent on an array of factors and could be extended for a number of reasons, such as delays in acquisitions and contracting, changes in decision-making related to the program and policies, issues related to funding, and the potential need in Puerto Rico to divert attention from system development to respond to more immediate needs resulting from natural disasters.

which is insufficient for meeting SNAP QC requirements. ADSEF should consider developing an automated data verification system within its SNAP data system to receive actionable results immediately or within several days. ADSEF would have to determine which data verification processes are feasible and meet Federal SNAP requirements.

b. Reporting

State agencies use numerous Federal data systems to share information with FNS, including program metrics, QC information, and details about SNAP-authorized retailers. State agencies interact with Federal data systems by accessing the systems directly, by signing in and manually submitting information, or through automated processes built into their SNAP data systems. Examples of Federal data systems used for reporting include FPRS, SNAP QC System, and STARS. Federal data systems used exclusively by FNS offices to support State agencies include the Regional Office Quality Control Tracking System.

Change needed. ADSEF uses a subset of Federal data systems for reporting NAP information, including FPRS and ALERT. Under SNAP, State agencies must ensure they can either access or reliably submit information to all appropriate Federal data systems. The current NAP EBT processor, Evertec, with its partner FIS Global, has experience working with State agencies and sending SNAP EBT information to FNS. Federal respondents believe it would require minimal effort to grant or modify Puerto Rico's access to Federal data systems needed for SNAP. Currently, all Federal data systems and related documentation (e.g., reports, training materials) are available only in English. Some Federal data systems include an option to easily change languages, but translating reporting and training materials into Spanish might require additional resources. Respondents noted none of these materials have been translated for other States or territories.

4. Federal Requirements for Developing or Updating Data Systems

FNS requires State agencies to go through the APD process, a review and funding process overseen by the State Systems Office (SSO), for the acquisition, development, update, and implementation of any data systems project exceeding \$6 million (USDA FNS, 2020a). The APD process outlines all steps of a SNAP data systems project: initial planning, request for proposal (RFP) drafting and procurement, system development, testing, and implementation. An Annual APD Update is required for any planning or implementation activities taking more than 1 year. State agencies, with support from SSO, are required to complete all steps of the APD process and receive approval from FNS to move forward. The APD process can take years to complete concurrently with SNAP data system project activities and often experiences delays if documents are not submitted correctly or require multiple rounds of review with FNS.

Change needed. If Puerto Rico were to implement SNAP, ADSEF would be responsible for demonstrating compliance of data systems with detailed functionality requirements, such as ensuring correct eligibility determination based on accurate programming of income and eligibility rules. ADSEF would be required to complete the APD process to receive Federal funding for and approval of SNAP data systems to either upgrade existing NAP data systems or create new SNAP data systems from scratch. Current NAP data systems have not needed to receive approval from FNS through the APD process or demonstrate compliance with any Federal functionality requirements.⁹⁰ FNS stakeholders anticipate it would be

⁹⁰ SSO explained that current NAP data systems have not previously met project thresholds that necessitated the APD process and required FNS approval.

exceedingly difficult for ADSEF to pass those NAP data systems through the process because they were not designed with SNAP requirements in mind.

D. Stakeholder Feedback

The study team interviewed stakeholders in the Federal Government and Puerto Rico to better understand NAP data systems, their strengths and weaknesses, and how they align with SNAP requirements. According to respondents, implementing data systems for SNAP in Puerto Rico would require a substantial technological development and implementation effort. Respondents highlighted several concerns important to consider in the context of developing SNAP data systems, including critical limitations of the existing NAP data systems, the lack of investment in technology and technical staff, and the need for significant investment if SNAP were implemented. Other concerns included lengthy procurement processes, burdensome contract requirements, and challenges specific to implementing new data systems.

Before transitioning to SNAP, ADSEF would have to address each of these challenges to have the foundational support needed to successfully manage a SNAP data systems project of this unprecedented scale. Developing and implementing SNAP data systems would require significant funding and staffing resources, detailed and complete data system requirements, and efficient procurement and contracting processes. Continued challenges in any of these areas could result in significant cost and timeline overages. If Puerto Rico does not proceed with SNAP, respondents advised fixing many of these challenges to address current inefficiencies under NAP.

Data Systems Stakeholders Interviewed

- FNS National Office, MARO, and CAO
- ADSEF's OTI
- ADSEF's OIC/EBT
- Leductech Solutions
- Evertec
- KPG

In general, stakeholders emphasized that the planning and design of data systems should be conducted carefully and thoroughly to minimize chances of significant lapses in functionality after rollout. Defects that would prevent benefit issuance for a period of time are of particular concern because ADSEF would lack a legacy system to rely on in such cases. ADSEF could be subject to legal and financial penalties if the eligibility system does not determine eligibility or calculate benefits correctly, or if it fails to produce accurate notices for applicants and participants. Systems problems could also impose burdens on applicants and participants if they do not receive benefits timely or are required to repay benefits issued in error.

Details of the major challenges identified by stakeholders follow.

1. Limitations of NAP Data Systems

ADSEF has overseen the development and maintenance of a range of data systems to support NAP policy changes, eligibility determination, and benefit issuance. However, most FNS, ADSEF, and NAP IT contractor respondents agreed the core NAP data system, SAIC, is antiquated and unable to apply the complex policy and reporting requirements necessary under SNAP. NAP data systems that have been developed more recently, such as SIBIF and NAP EBT, have been designed and developed to

"[SAIC is] an ancient system, and all it does is input information acquired from the participants. My understanding is that system doesn't have any type of interface with application or government system. All verifications are done by hand."

—MARO/CAO stakeholder

interact with SAIC’s outdated infrastructure (e.g., access through obsolete browsers), even though the new systems use more modern technology. Most respondents agreed that to continue administering NAP, it is critical to modernize or replace SAIC to improve the capabilities of their core NAP eligibility and case management system. Respondents concluded it would not be practical, feasible, or cost effective to modify the existing NAP data systems for use in SNAP.

There was also consensus among FNS, ADSEF, and NAP IT contractors that existing NAP data systems would not be sufficient to meet the complex requirements of SNAP. FNS respondents suggested that there would be no efficiencies or time saved in modifying NAP data systems rather than creating new SNAP data systems.

“The main challenge with [SAIC] is that it is quite an old system. In 2008, we refreshed [SAIC], but basically it was just a conversion to enable the existing system to operate on additional platforms. ... [SAIC] was developed under a different scenario, a different reality many years ago. The situation has now changed, and we need a reengineering of processes and a system to adapt to those realities.”

—NAP IT contractor

Instead, these stakeholders suggested developing new SNAP data systems tailored to how SNAP would be implemented in Puerto Rico.⁹¹ NAP and SNAP are two separate programs with differing eligibility criteria, reporting requirements, and operational processes; therefore, they require data systems that align with those needs. Furthermore, SNAP eligibility, reporting requirements, and operational processes are considerably more complex than those associated with NAP. IT contractors developed each NAP data system to meet NAP criteria; respondents from FNS did not believe

it was feasible or cost effective to update NAP data systems to meet more complex and detailed Federal SNAP requirements. A respondent from SSO noted, “[Puerto Rico would] have to start from scratch. NAP is so simplified . . . a NAP [data] system is not a basis for building a SNAP [data] system.” Starting from scratch would help ensure SNAP data systems (1) meet Federal requirements for SNAP, (2) align with ADSEF’s SNAP policy and operational choices, and (3) use modern and adaptable technology.

2. SNAP Data Systems Development

Stakeholders shared additional concerns regarding development of a SNAP data system and offered suggestions for a feasible and timely approach to development. One challenge reported by NAP IT contractors is poorly defined data system requirements. NAP IT contractors described ongoing challenges with receiving unclear data system requirements from ADSEF. IT contractors reported lacking clarity on ADSEF’s needs or goals because the agency lacks staff who fully understand the capabilities of NAP data systems or how they align with operational requirements, resulting in NAP data systems not always meeting ADSEF’s needs. ADSEF often requests information from IT contractors that the systems cannot provide.

“It wouldn’t matter which technology path [ADSEF] chose, whether they chose to replace or believe that they could accomplish [implementing SNAP] with [a NAP data system] upgrade. They would still have to go through the same process of working with FNS to demonstrate what their requirements are and how they intend to meet them, and demonstrating that the system is fully compliant, and having a compliant project process. Whichever path they chose, they would still be subject to the same FNS oversight.”

—SSO stakeholder

⁹¹ Although a limited number of respondents within ADSEF suggested it might be possible to modify some existing NAP data systems to operate SNAP, all other stakeholders strongly emphasized the need to create wholly new data systems to replace the aging NAP data systems.

FNS stakeholders suggested Puerto Rico should identify and implement SNAP data systems requirements in phases, focusing on critical functionality immediately and postponing secondary or optional functionality until a later date. Because of the complexities within SNAP policy and regulations, these stakeholders emphasized how challenging this system development effort would be for Puerto Rico and noted that States, which have decades of experience implementing SNAP and translating program needs into functional data system requirements, continue to struggle when developing and implementing targeted SNAP data system functionality. State agencies can take from 4 to more than 10 years to complete the steps in the Advanced Planning Document process. No recent SNAP State agency data systems projects compare with the scale of the data systems work that would be required to implement SNAP in Puerto Rico, so data systems could require more time for Puerto Rico.

ADSEF is in the process of contracting with a consulting firm to solicit recommendations for SNAP data systems through an RFP.⁹² This study should shed further light on the needs of and solutions for SNAP system development in Puerto Rico.

3. Human Capital and Financial Resources

Stakeholders reported significant concerns about declining investment in NAP data systems and technical staff and how those issues may be alleviated with financial investment and operational support from FNS.

Lack of investment in data systems and technical staff. Respondents cited reductions in funding for NAP data systems maintenance and staffing as a challenge that has limited ADSEF’s ability to upgrade aging systems and maintain technical expertise in NAP data systems. ADSEF OTI has had significant reductions in staff over time: ADSEF formerly employed 100 staff dedicated to supporting NAP data systems but now employs only 10, none of whom are programming or technical staff. IT contractors are responsible for all NAP data systems development and maintenance, but most of these firms have also had to reduce staff supporting NAP data systems contracts because of reductions in funding.

Needed support for development of a SNAP data system. ADSEF staff suggested that Puerto Rico would need substantial financial investment to expand and strengthen its resources in support of a multimillion-dollar SNAP data systems project. FNS stakeholders reported understanding that Puerto Rico also would require significant, ongoing, and regular support from FNS and potential partner State agencies throughout the development and implementation processes to successfully implement SNAP data systems.

4. Lengthy Procurement Processes and Burdensome Contract Requirements

ADSEF and IT contractors described the overall process for procurement in Puerto Rico as slow and requiring many steps and approvals. SSO also noted it is likely procurement could

“We know from experience working with [Puerto Rico’s procurement for] WIC and how frequently changes in political leadership result in either a complete scrapping of everything that’s been planned ... or a partially done procurement gets tossed out and starts over. I would build more time into the Implementation APD process [that includes] procurements. Our experience with Puerto Rico and WIC has been that the procurements can be extremely protracted.”

—SSO stakeholder

⁹² In spring 2021, Puerto Rico released the *Request for Proposal of Professional Services to Identify the Administration for Socio-Economic Development of the Family’s (ADSEF) Technology Needs to Transition Puerto Rico from the Nutrition Assistance Program (NAP) to the Supplemental Nutrition Assistance Program (SNAP)*. This chapter does not include information covered in the RFP or the resulting report.

take longer than expected—for example, a 3-month timeline could stretch out to 6 months or 1 year with procurement process delays. When asked about the procurement process, one ADSEF respondent who has been frustrated by these challenges noted, “We have learned to be patient.” An IT contractor noted NAP data systems contracts’ performance requirements can be challenging to manage, they carry penalties, and they are a focal point for ADSEF. Several respondents suggested it could be more productive for their firms to invest resources in upgrading data systems functionalities to improve NAP operations, rather than focusing much time and effort on monitoring and reporting on burdensome performance requirements.

5. Training

Stakeholders agreed that ADSEF leaders and staff would need extensive training in SNAP policy, operations, and data systems to make sure SNAP is implemented with fidelity to ADSEF’s program choices, to support a smooth program launch, and to conduct successful data system user acceptance testing and piloting. Respondents also suggested using a State exchange, whereby ADSEF could work together with one or more States operating SNAP to learn about data system options and implementation considerations.

E. Implementation Considerations

If Puerto Rico were to transition from NAP to SNAP, designing and implementing new SNAP data systems would be a long, complex, and expensive effort. In SNAP’s 50-year history, no State agency has undergone a data systems development project of this size and scope. Based on the experiences of other State agencies, as discussed by SSO and MARO, FNS suggested that, at a minimum, it could take 4–10 years to complete a data systems project of this scale in Puerto Rico.⁹³ The approach outlined below describes best practices based on conversations with FNS, MARO, CAO, and respondents in Puerto Rico. Many State agencies that have implemented SNAP data systems have faced challenges in these areas, resulting in extended timelines and other operational issues. The more ADSEF can align its planning and processes with these best practices, the greater the likelihood of smooth and seamless implementation.

This section assumes the data systems would need to support all SNAP requirements at the time of initial implementation. However, Congress, FNS, and ADSEF could consider strategies to expedite data systems development. For example, Congress or FNS could waive certain SNAP requirements for a period of time, so the development of the data systems that support those functionalities could be delayed until after the data systems essential to supporting SNAP were in use. Another potential tactic for expediting data systems development could be committing to program design decisions once they have been made until a predetermined time after SNAP rollout (e.g., 5 years). Such a commitment would reduce the likelihood of middevelopment course corrections, which could cause delays to data systems development.

This section discusses the need for a dedicated SNAP data systems team to lead the project; additional forms of support, technical assistance, and training required; oversight of SNAP data systems development; selection of SNAP data systems functionality; options for a phased approach to

⁹³ The study team estimated total data system costs of about \$322 million for SNAP implementation; see chapter 15 for more detail.

developing and implementing SNAP data systems; requirements under FNS and the FNS APD process; and considerations for procurement within Puerto Rico.⁹⁴

1. SNAP Data Systems Project Leadership and Expertise

ADSEF would have to build an internal team with expertise in SNAP and IT system development to oversee and manage all aspects of a project to develop and implement SNAP data systems. To support this team, ADSEF would need to draw on internal expertise from across its departments and its IT contractors, including those with program and policy knowledge, technical expertise, procurement and implementation backgrounds, and experience in financial management.

a. Team members and key responsibilities

To ensure the data systems project meets SNAP needs and stays within the expected timeframes and cost estimates, ADSEF would need a SNAP data systems team focused solely on managing the project.⁹⁵ Historically, ADSEF has contracted with IT vendors that manage and upgrade data systems with relative independence; currently, the agency does not employ dedicated data systems staff. To implement SNAP data systems, all stakeholders recommend that ADSEF hire an in-house SNAP data systems team to coordinate with internal and external stakeholders and to ensure that they can meet project goals within estimated timeframes. The SNAP data systems team should be experienced, with clearly defined responsibilities and expectations. At a minimum, the team should include the following roles:

- ▶ **A strong IT project manager** with experience overseeing a SNAP or other comprehensive human services program data system project of large size and scope. This individual should understand critical project management and systems development activities and timelines, requirements within the Federal APD process, Federal requirements for SNAP data systems, Federal data security standards, and all other activities related to implementing data systems, such as training staff and engaging stakeholders
- ▶ One or two **SNAP administration and policy experts** with State-level experience, expertise in implementing SNAP data systems, and knowledge of operations and workflows
- ▶ Multiple **project coordinators** with strong administrative and organizational skills and experience supporting large government or data systems development projects⁹⁶

Collectively, this team would first be responsible for developing the primary business and technical requirements of the SNAP data systems and actively ensuring that those requirements remain aligned with SNAP policy and program decisions. The team would oversee the process, costs, and timelines for acquiring a qualified IT contractor, followed by overseeing the development and implementation of the SNAP data systems, including testing, training, and all other related activities. The team would be the point of contact between the project and internal stakeholders (e.g., ADSEF leadership, other

⁹⁴ The data systems development approach and considerations discussed in this section are grounded in best practices identified through the study team's discussions with all respondents and intended to help ADSEF avoid the most serious types of delays, costs, and challenges that many other SNAP data systems projects have faced.

⁹⁵ If Puerto Rico were to develop multiple SNAP data systems, the SNAP data systems team, led by the project manager, could select individual leaders to oversee development and implementation of separate systems. The study team proposes having one dedicated project manager for the entire SNAP data systems effort to oversee other leaders within the team.

⁹⁶ The study team included seven project coordinators in the model used to estimate implementation costs.

government officials) and external stakeholders (e.g., FNS and IT contractors hired to develop the system).

The IT project manager would focus on development of complex interrelated data systems; translation of SNAP policies into technical requirements; oversight of the development process, including identification of potential issues; and procurement and contractual requirements. The SNAP administration and policy experts would provide guidance and perspective on how system functionality should operate in support of program policy, procedures, and operational decisions. This SNAP expertise would be crucial throughout the development and implementation process to ensure SNAP data system functionality aligns with selected program choices. Project coordinators would be responsible for ensuring the IT project manager and the SNAP administration and policy expert have the resources they need to successfully oversee administrative activities; each coordinator could focus on a particular aspect or functionality of data systems development.

Several considerations should inform hiring for the data systems team. Staff continuity is desirable because high turnover could result in the loss of critical project knowledge and delays in timelines as new team members are onboarded. Members of the team should be located in Puerto Rico through the entirety of the project. Although many professional workers are operating remotely in response to the COVID-19 pandemic, the project would require close collaboration with many stakeholders, which may be more difficult in a virtual environment. Finally, most team members should be bilingual in English and Spanish. They would be in regular communication with Spanish-speaking leaders from ADSEF and potentially work with English-speaking representatives from FNS and the IT contractors developing SNAP data systems. The project requires an ability to precisely translate SNAP administration and policy choices into data systems requirements and design; avoiding misunderstandings and misinterpretations is critical. Accommodations for members of the team who are not bilingual should be made to ensure access to real-time interpreters who can support those individuals.

b. Foundational ADSEF expertise

The SNAP data systems team members would bring significant experience to the project. They would, however, need to draw on expertise throughout ADSEF to build the foundational knowledge needed for the project to be successful in the long term. Across the data systems team and other policy staff, ADSEF would require staff with knowledge in the following areas:

- ▶ **Project management**, including knowledge of project management principles and practices, procurement, contract management, and cost-benefit analysis
- ▶ **Program management**, including knowledge of organization, staffing, and training needs; SNAP delivery, regulatory, and reporting requirements; SNAP policy; and functional design features
- ▶ **Information technology (IT)**, including knowledge of system design and analysis, programming, maintenance and operations, technical support, security, and Puerto Rico's IT legislative requirements for developing data systems
- ▶ **Financial management**, including knowledge of Puerto Rico and Federal budgeting techniques, laws and regulatory requirements, cost allocation methodologies, and financial reporting requirements (USDA FNS, 2020a)

For the areas in which ADSEF may not have existing knowledge or may require significant support, the team would need to rely on guidance and technical assistance from MARO and CAO (described below)

while building expertise internally. ADSEF could also consider prioritizing acquiring certain skills and expertise that would best support the transition from NAP to SNAP.

Technical staff within ADSEF, including programmers, would be critical for supporting SNAP data systems. As the data systems are under development, these staff would work with the data systems team and be involved in drafting SNAP data system requirements, ensuring that the data systems align with desired functionality and can interface with other systems, such as Federal data systems. These staff would need an ongoing understanding of the data systems' design and functionality, capacity to perform basic troubleshooting on programming and systems, and the ability to query SNAP data and run reports. Currently, ADSEF employs no technical or programming staff; IT contractors handle all programming and data systems activities. Puerto Rico would need to increase its internal technical capabilities by hiring staff with the expertise to carry out these activities.

2. SNAP and Data Systems Support, Technical Assistance, and Training

ADSEF would need extensive technical assistance and support from the FNS National Office, MARO, and CAO to implement SNAP data systems. ADSEF would benefit from an exchange with one or more SNAP State agencies to observe SNAP data systems in action, ask questions, and learn best practices. Other forms of support would also be available from SSO (see section 6).

Support from the FNS National Office, MARO, and CAO. ADSEF would need assistance with both SNAP policy and SNAP data systems. MARO and CAO, with support from the National Office, would be the primary points of contact for ADSEF to inform policymaking, give guidance on required reporting, and facilitate connections to other Federal offices, such as SSO. FNS believes that MARO and CAO would each need at least one additional Spanish-speaking staff to meet this need. Because CAO's office is located in San Juan, hiring would add to local presence in Puerto Rico to support activities related to testing and training.

Support from State SNAP agencies. To further knowledge building on SNAP and complex data systems, FNS, ADSEF, and IT contractors support the idea of facilitating an exchange between ADSEF and one or more State agencies. State agencies have a wealth of knowledge and experience in operationalizing SNAP, developing SNAP data systems, working with SNAP data systems IT contractors, and training staff. The exchange could include discussions of challenges and best practices in SNAP and SNAP data systems, site visits to observe data systems and operational processes, and training for ADSEF leaders and staff (discussed below).

FNS has recommended considering several criteria for selecting State agencies for an exchange with Puerto Rico, including (1) whether the State has Spanish-speaking staff and participants, (2) experience operating D-SNAP in response to natural disasters, (3) recent experience implementing or upgrading SNAP data systems, and (4) recent or prior experience meeting and overcoming challenges related to SNAP data systems. FNS suggested pairing Puerto Rico with multiple States with different operational and programmatic choices, or States that are in different stages of the implementation timeline. FNS has begun identifying potential States that satisfy these criteria.

SNAP data systems training. SNAP data systems training would be critical to ensure staff understand system processes and can effectively operate data systems to carry out program activities, such as eligibility determination. Training opportunities would build staff knowledge and confidence in their understanding of SNAP and related processes and the implications of SNAP policy and operations

decisions for the supporting data systems. Understanding SNAP data systems design could encourage enthusiasm among staff for the transition to SNAP by highlighting operational efficiencies for ADSEF and advantages for households.

SNAP data systems training could be integrated with program and policy training, tailored to staff roles, and designed to provide an overview of each data system, including purpose, functionality, and instructions on how to access and operate SNAP data systems. Staff would also need training on any new operational processes that align with SNAP data systems but differ from those used under NAP, such as data verification (or matching) that might be automated within the SNAP data system. Training on these topics could be conducted by the ADSEF SNAP data systems team or IT contractor. A State exchange could include additional staff training, helping staff to simultaneously learn about SNAP data systems and operations and observe these systems in practice. This opportunity would also encourage staff to share questions and best practices.

3. Leadership of SNAP Data Systems Project

To ensure the SNAP data systems align with their chosen program and policy decisions, ADSEF would need to maintain leadership and ownership of the SNAP data systems project over its entire lifecycle. This includes expanding internal technical capabilities to ensure ADSEF can address programming and data analysis needs—such as querying data and reporting—during development and once the data system is fully operational. ADSEF would also need to consider the role of SNAP data systems IT contractors and the level of autonomy they would have on the project.

ADSEF. The success of SNAP data systems in Puerto Rico would rely on project leadership and decision-making remaining in the hands of ADSEF. FNS emphasized that only ADSEF would know how it wants to implement SNAP and how data systems should operate to support that implementation. In practice, maintaining oversight could involve ADSEF leading meetings with IT contractors, including requiring real-time updates from contractors when data systems do not meet defined requirements or objectives and delegating critical decision-making to ADSEF staff within the SNAP data systems team. By maintaining project ownership and being actively involved in SNAP data systems decision-making and project execution, States ensure that SNAP administration and policy decisions are reflected in the functionality of their SNAP data systems design. For example, ADSEF might decide to include electronic case files and document imaging capabilities but also retain case management at the local office level. If an IT contractor's document imaging functionality failed to effectively tag files for easy upload and access, local office staff might face challenges using the digital files when processing SNAP applications or cases. This could lead to significant operational challenges for staff and potential workarounds that might increase burden on participants and negate the intended benefits of the system functionality.

Retaining ownership of the project also ensures that the functionalities of the systems adhere to the intended standards. It is ultimately the responsibility of States to ensure SNAP data systems meet Federal SNAP requirements. IT contractors do not have the same incentive States do to ensure these systems are compliant.

Finally, ADSEF would need to make sure it preserves internal knowledge and expertise related to SNAP data system development, design, and functionality. FNS pointed out that delegating management of the SNAP data systems project to an IT contractor, for example, could result in a data system that does not meet Puerto Rico's program needs, may not meet Federal SNAP requirements, and may be difficult or impossible to decipher or query after the IT contractor has completed the project.

SNAP IT contractors. While ADSEF would need to maintain leadership of SNAP data systems development efforts, it would also need to maintain a close partnership with an experienced SNAP IT contractor. SNAP IT contractors should work in partnership with ADSEF to create SNAP data systems that align with operational processes and Federal SNAP regulations. Unlike most State agencies, Puerto Rico would enter data systems development without a deep institutional knowledge of SNAP. Experienced SNAP IT contractors would bring sophisticated project management and development expertise and an understanding of SNAP operations, modern technology, and relevant data system options. Puerto Rico would undoubtedly benefit from selecting a vendor with such extensive SNAP knowledge, yet SSO and others continue to caution against delegating responsibility for the project to IT contractors. IT contractors do not have a vested interest in the project and may not have the incentive to support ADSEF beyond fulfilling agreed-upon contract obligations.

Respondents identified several considerations for ADSEF’s selection of a SNAP data systems IT contractor. First, Puerto Rico should select an IT contractor with recent and extensive experience developing and implementing SNAP data systems. SSO explained that ADSEF would need staff knowledgeable in SNAP policy and operations to work with the IT contractor. However, because Puerto Rico would not have extensive SNAP expertise coming into SNAP data systems development, it would be important for the IT contractor to have substantial experience in this area. Second, Puerto Rico should emphasize experience in addition to cost when evaluating selection criteria. ADSEF respondents expressed concerns that Puerto Rico might choose a SNAP data systems IT contractor based solely on cost, given limited financial resources. Choosing the least expensive contractor could result in a SNAP data system that doesn’t meet Puerto Rico’s needs, causing both immediate and long-term issues that would likely lead to a substantially more expensive system over time.

4. SNAP Data Systems Functionality

Puerto Rico would need to make decisions related to the SNAP policy and program choices that best meet the needs of ADSEF and potential SNAP recipients. Decisions on data systems functionality should follow and align with program choices and operational processes. Puerto Rico would also need to consider system modifications to tailor SNAP data systems to align with policy choices and meet Federal SNAP requirements.

SNAP administration and policy decisions. Before considering the functionality of its SNAP data systems, Puerto Rico would need to solidify its understanding of SNAP regulations and make determinations about all policies and operational processes for implementing SNAP. Decision-making on policies and practices would need to involve many stakeholders within ADSEF—including both political appointees and long-term career staff—in the areas of IT, program integrity, QC, program delivery and operations, policy development, and financial reporting.⁹⁷ ADSEF should also consult with SNAP recipients and CBOs to determine if and how programmatic decisions would affect potential SNAP recipients, such as decisions on having a call center in place of or to support local offices.

Choose desired data system functionality. Data system functionality should be developed based on agreed-upon SNAP policy and operational choices determined by ADSEF in consultation with MARO and

⁹⁷ Stakeholders recommended making program and policy selections first and using that information as a basis for SNAP data systems development as a best practice. This process would ensure that programmatic decisions drive data systems development, as opposed to decisions about program operations being determined based on available data systems functionality. In practice, however, there may be iterations of program and systems development as Puerto Rico becomes more knowledgeable about SNAP regulations and policy options. Considerations for data systems development should be incorporated into these programmatic decisions to ensure that data systems can meet desired functionality and address timeline and cost implications of data systems implementation.

SSO. For example, several FNS respondents suggested that Puerto Rico should not consider building its own State QC review system. Instead, it should use the Federal QC System available to all States. FNS can apply such insights from its experience with other States to aid ADSEF in developing the most efficient requirements for its SNAP design.

In spring 2021, ADSEF released the *Request for Proposal (RFP) of Professional Services to Identify the Administration of Socio-Economic Development of the Family's (ADSEF) Technology Needs to Transition Puerto Rico From the Nutrition Assistance Program (NAP) to the Supplemental Nutrition Assistance Program (SNAP)*. The focus of this RFP is to provide an assessment of NAP data systems and highlight technology needs under SNAP, including SNAP eligibility, case management, EBT, QC, data matching, Federal reporting, and D-SNAP. While the recommendations resulting from this RFP may be useful in assisting ADSEF with potential planning for a transition to SNAP, this information should be considered in conjunction with other factors. Specifically, ADSEF should begin by selecting program and policy options that would align with its goals for SNAP. It should then select data system functionality that would support those programmatic choices.

ADSEF would need to make other decisions about SNAP data systems, including the following:

- ▶ The type of data system desired (i.e., a SNAP-only data system or an integrated system able to determine eligibility for multiple programs, such as TANF)
- ▶ Whether a single data system can provide the functionalities chosen, such as eligibility determination and data verification, or multiple, interconnected data systems need to be procured
- ▶ How interconnected data systems would interact
- ▶ Whether the data systems infrastructure would be web based or mainframe based
- ▶ What customer-driven processes could be facilitated by data systems, such as online account access to request case changes and upload digital documents

ADSEF would need to separately consider hardware that might be needed to accommodate different functionalities. For example, if the agency chooses to use digitized files, each eligibility worker might require a deskside scanner.

Modifications and additional considerations. IT contractors who have worked with other State SNAP agencies may be able to offer ready-made, or off-the-shelf, data systems. Although these system configurations are appealing and may offer efficiencies, FNS has found that SNAP State agencies make substantial necessary modifications to these systems to ensure alignment with their chosen processes and Federal SNAP requirements. SSO noted that although some off-the-shelf data systems may incorporate basic SNAP regulations, they would need modifications to align with Puerto Rico's policy choices or business processes. SSO also warned that, in some cases, programming of simple SNAP regulations has not been done correctly in SNAP data systems projects for other States, resulting in potential QC issues and the need for substantial data systems upgrades.

5. Phased Implementation of SNAP Data Systems

Respondents across FNS and ADSEF agreed that it would be practical to implement SNAP data systems in phases, establishing critical data systems in the initial phase and delaying implementation of less critical functionalities. A phased approach would help ADSEF focus its efforts and resources on ensuring

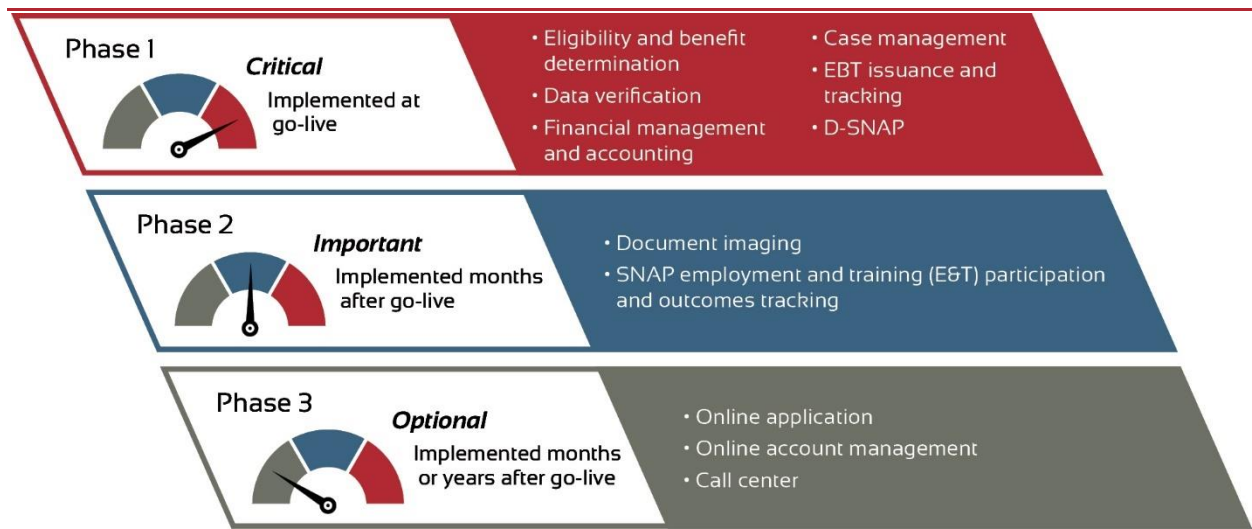
critical data systems, such as an eligibility and EBT system, are implemented correctly upfront. This approach would also enable Puerto Rico to maintain control over the scope of the project by deciding how much to address at different intervals. Finally, a phased approach would enable ADSEF to better support staff training on new data systems and changes to operational processes. If ADSEF anticipates proceeding with significant operational changes in addition to new data systems, such as moving from mostly paper files to complete digitalization of all case records, phasing implementation would provide the opportunity to address training and staff adjustment for each phase.

Prioritization of selected SNAP data systems. Puerto Rico would need to identify which data systems (or functionalities) to include in each phase of implementation. The following three-phase approach is one way to begin planning and discussing data systems implementation (ADSEF may decide that another approach, such as a two- or four-phase approach, is more appropriate and would better meet their objectives, timeline, and resources):

- ▶ **Phase 1:** Critical data systems that should be in place for initial SNAP implementation
- ▶ **Phase 2:** Important data systems that do not need to be implemented immediately
- ▶ **Phase 3:** Optional data systems that may improve operational efficiencies but are not required for SNAP

Figure 14.3 illustrates which SNAP data systems might be included in each of the three phases of implementation.

Figure 14.3. Potential Phases of Implementation for SNAP Data Systems



Note: D-SNAP = Disaster SNAP, EBT = electronic benefit transfer

The selection of data systems to implement in each phase should be based on ADSEF’s operational and programmatic choices and its organizational capacity to undertake additional data system requirements. ADSEF should also consider how phases and data systems will build on one another over time, as opposed to reversing efforts and investments undertaken in earlier phases. The following SNAP data

systems and functionalities are considered essential to operating SNAP, regardless of other operational and programmatic choices:

- ▶ **Eligibility and benefit determination system.** SNAP data systems would need to be able to determine eligibility and benefit amounts accurately and efficiently for SNAP applicants.
- ▶ **Case management system.** SNAP data systems would need to ensure ongoing case management activities, such as documenting changes on a SNAP case, are completed in accordance with Federal requirements.
- ▶ **EBT data system.** Accurate and timely SNAP benefit issuance to households is a critical function.
- ▶ **Financial management and accounting data system.** ADSEF would need to ensure accurate accounting and reporting of program finances.

Some FNS, ADSEF, and NAP IT contractor interview respondents identified other SNAP data systems that should be considered for inclusion in phase 1 implementation:

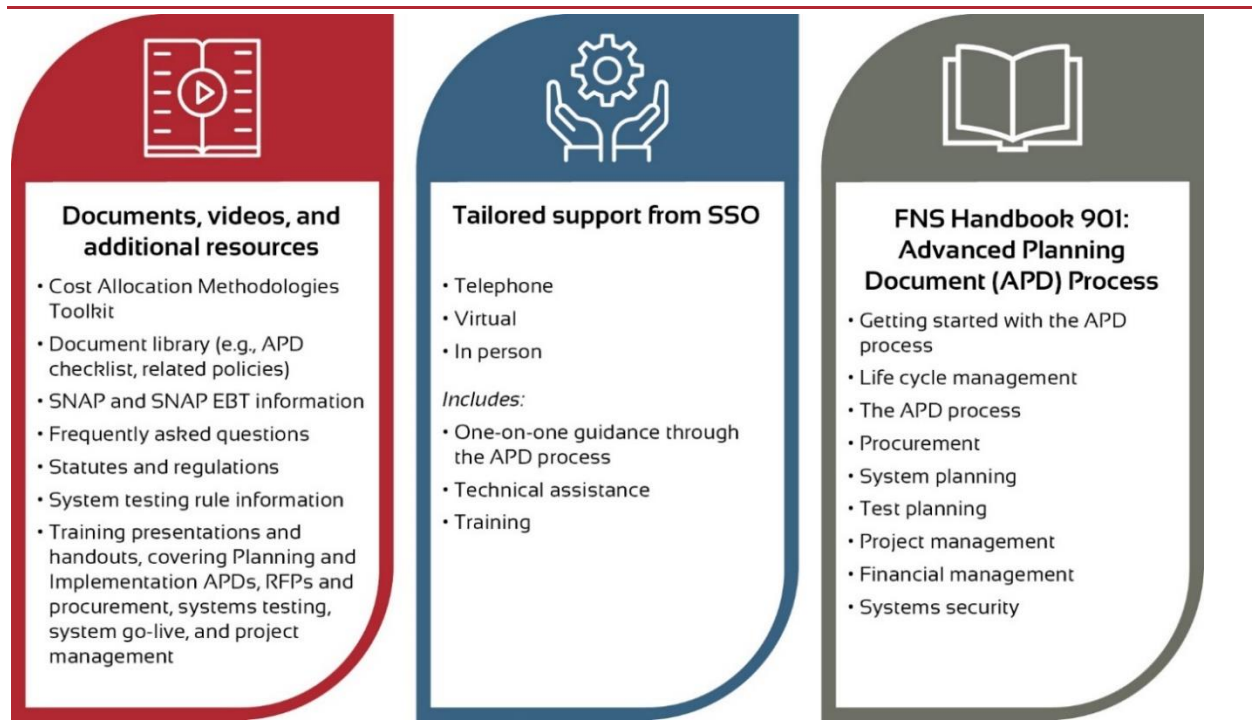
- ▶ **D-SNAP.** Respondents from FNS explained that for Puerto Rico and other States that regularly experience natural disasters, SNAP data systems are critical to the delivery of D-SNAP benefits.
- ▶ **Data verification (or matching).** MARO explained that for Puerto Rico to meet SNAP QC requirements, data verification should be considered critical.
- ▶ **Online applications and account management.** Some ADSEF and NAP IT contractors noted that, in response to the COVID-19 pandemic and the temporary closure of local offices, online applications and online account management should be considered critical for allowing households continued program access.

6. SSO, the APD Process, and Procurement

Puerto Rico would need to closely coordinate with SSO during the acquisition, development, and implementation of data systems. This section includes a description of SSO, an overview of the APD process, and details about the procurement process in Puerto Rico.

Role of SSO. SSO, in collaboration with FNS Regional Offices, works with States to provide tailored support in planning and implementing SNAP data systems projects and getting States the Federal funding required to start systems development. SSO also has resources to support States throughout this process, including *FNS Handbook 901* and a wealth of documents, videos, and other resources (see figure 14.4) (USDA FNS, 2020a). Although all documents and other resources are available on SSO's website, none are currently available in Spanish.

Figure 14.4. State Systems Office Resources



Note: EBT = electronic benefit transfer; RFP = request for proposals; SSO = State Systems Office

Overview of the APD process. The primary focus of assistance from SSO is the APD process, required for all SNAP data systems projects costing more than \$6 million. Through the APD process, States can meet Federal requirements and receive Federal funding for data systems projects. The APD process covers all steps: initial planning, RFP drafting and procurement, systems development, testing, and implementation. The two primary stages of the APD process are the Planning APD (PAPD) and the Implementation APD (IAPD).

- ▶ The **PAPD** process includes FNS’s review and approval of the PAPD, which describes how the State would investigate feasibility, system alternatives, and requirements and resources for proceeding with system development. It also includes all activities related to any RFPs and contracts for these planning activities.
- ▶ The **IAPD** process includes FNS’s review and approval of the IAPD, which focuses on the outcomes of planning activities (such as results of a feasibility study) and plans for data system design and development, integration, testing, and deployment. It also includes the request for funding for implementation activities and all activities related to RFPs and contracts for systems development. Once implementation is complete and the State begins to move toward ongoing maintenance and operations of the data system, the IAPD is closed, with final approval by FNS.

Any planning or implementation activities that take more than 1 year to complete require an Annual APD Update. ADSEF may need to complete an APD Update for any unexpected changes that may significantly affect project costs, schedule, or scope. The APD process occurs simultaneously with other activities, including Puerto Rico’s procurement processes, discussed below, and systems development and project management life cycles. Understanding how these activities coincide and overlap with one another is a critical task for the SNAP data systems team. Notably, the resources available from SSO

focus on data systems development; program and policy development do not fall under the scope of SSO.

Procurement. In parallel to the APD process are the procurement requirements and activities in Puerto Rico. Purchasing of data systems and services from IT contractors in Puerto Rico must proceed through all steps required under Puerto Rico's regulations. The general process includes receiving authorization from the Puerto Rico Information and Technology Services office for the purchase of IT equipment; assignment of funds by the Budget Department; development of the RFP by ADSEF; and completion of the solicitation process, including selection of an IT contractor, by the Administración de Servicios Generales (General Services Administration) and ADSEF. ADSEF would need to have SNAP data systems RFPs and contracts reviewed and approved by SSO and MARO before finalizing them. This review ensures that these documents align with Federal regulations for SNAP data system procurement, including regulations related to full and open competition, prohibition on geographic preference, and alignment with data systems ownership and licensing policies (USDA FNS, 2020a).

Chapter 15. Implementation Timeline and Costs

The study team developed a separate report (*Update to Feasibility Study of Implementing SNAP in Puerto Rico: Implementation Plan*) providing an implementation timeline and processes for instituting SNAP in Puerto Rico, an estimate for SNAP participation in Puerto Rico, and the costs of implementing and maintaining SNAP in Puerto Rico (Thorn et al., 2022). This chapter summarizes the findings from that report. The timeline and cost estimates presented in this chapter are based on stakeholders' experience and subject matter expertise related to implementing projects of substantial size and scope. The timeline could be an underestimate if Puerto Rico experiences a natural disaster or other event that diverts resources from SNAP implementation. Changes in Puerto Rico's political leadership or delays in procurement, data systems development, and/or hiring could also increase the timeline. Alternatively, the timeline could be an overestimate. If, for example, ADSEF began planning for SNAP program design and data systems prior to congressional approval of SNAP in Puerto Rico, the program design and planning phases could be shorter. Given the uncertainty in estimating the timeline and costs for a project of this unprecedented magnitude, the actual timeline and costs for transitioning to SNAP may differ from what is presented in this chapter, and Puerto Rico should not be expected or mandated to meet these timeline and cost estimates.

A. Implementation Process and Timeline

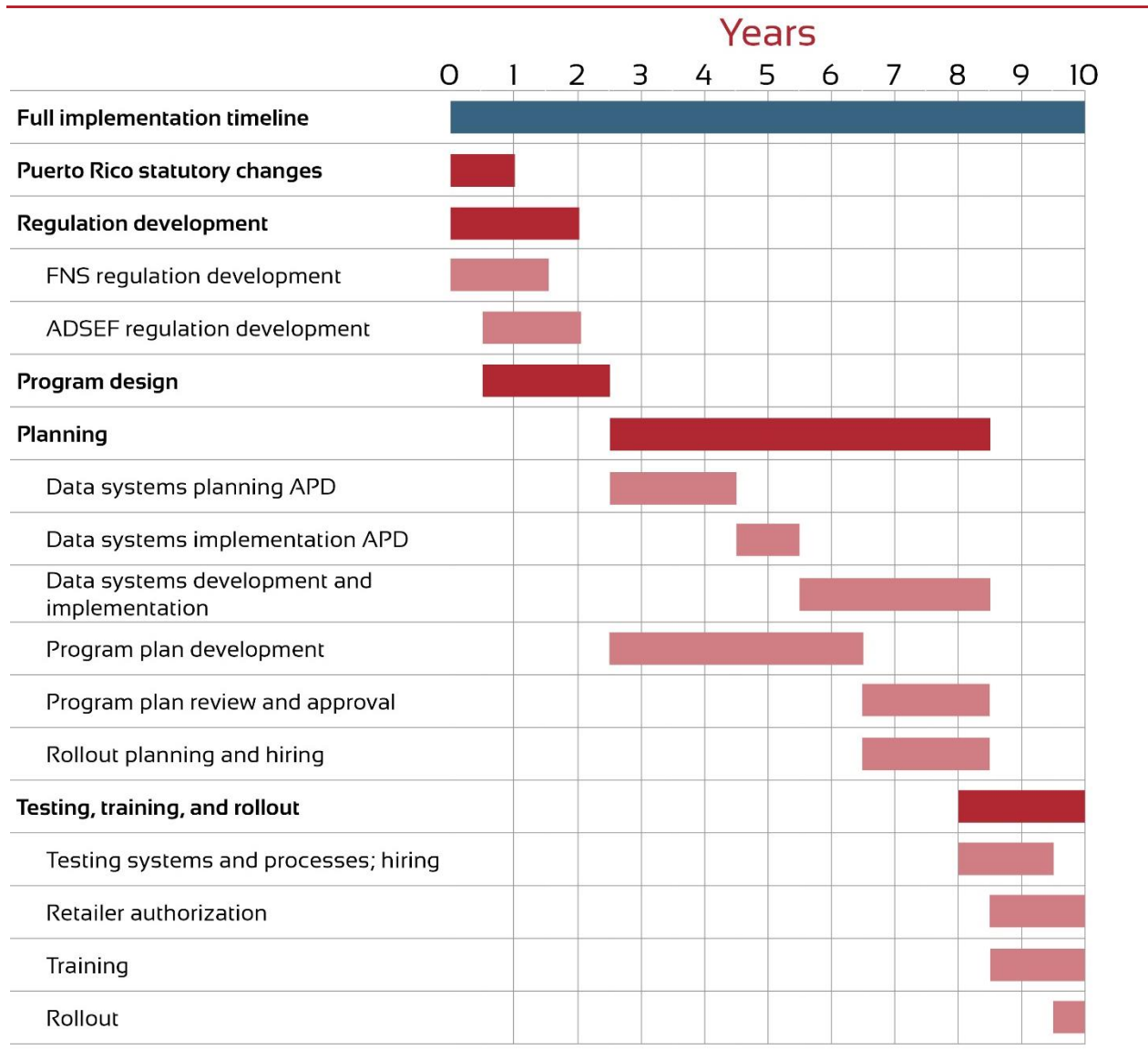
The implementation timeline would have five main phases: (1) Puerto Rico statutory changes; (2) regulation development; (3) program design; (4) planning; and (5) testing, training, and rollout. Some phases would occur simultaneously (see figure 15.1), and the full implementation period could take an estimated 10 years. The actual time required for SNAP implementation could be shorter or longer depending on several factors described in the implementation plan.

For successful implementation, the study team assumed ADSEF would convene a SNAP implementation steering committee for the duration of the implementation process to guide decision-making processes and milestones. Full-time steering committee members would include a project manager; a SNAP subject matter expert; an information technology project manager; and a support staff person for administrative, logistical, and technical writing functions. ADSEF's steering committee would also require regular part-time contributions from ADSEF leadership, career staff, and a SNAP frontline worker. Other ADSEF employees would contribute as needed throughout the implementation process.

The study team also assumed FNS would convene an implementation task force. Full-time members of the FNS task force would include a project manager, a SNAP policy expert, a data systems management analyst, a MARO policy analyst, and a CAO policy analyst. A wide range of additional staff would need to support the implementation effort, with varying commitments across the course of the implementation process. These subject matter experts (SMEs) would provide technical assistance and guidance to Puerto Rico and would also update FNS policies and procedures to prepare for the ongoing oversight of SNAP in Puerto Rico. These SMEs would be drawn from the Program Development Division (Certification Policy Branch and Program Design Branch), the Program Accountability and Administration Division (State Administration Branch and Quality Control Branch), Retailer Issuance Policy and Innovation Division, Office of Employment and Training, Civil Rights Division, Office of Policy Support, Financial Management, Office of Retailer Operations and Compliance, MARO SNAP Operations, and MARO Program Integrity. All work conducted by FNS staff to support SNAP implementation in Puerto Rico would be in addition to the current work being performed by FNS and would require additional funding and staffing.

The study team considered whether the timeline could be shortened through an initial exclusive focus on the core functions of SNAP—eligibility determination and benefit issuance. However, the primary driver of the implementation timeline is the development of data systems, including systems for eligibility determination and benefit issuance. Little time would be saved with a narrower focus over the course of the full timeline. If ADSEF anticipates staffing constraints during rollout, they could consider delaying the rollout of program components such as SNAP E&T and SNAP-Ed.

Figure 15.1. SNAP Implementation Timeline



Note: APD = advance planning document

1. Puerto Rico Statutory Changes

Following the authorization of SNAP in Puerto Rico by the U.S. Congress, Puerto Rico’s legislature would need to delegate SNAP administration to an appropriate agency and appropriate funds for SNAP implementation and administration. For the purposes of the implementation plan and cost model

estimates, the study team assumes the legislature would designate SNAP administration to the Department of the Family, which is responsible for NAP. This stage of the implementation process would take 6–12 months.

2. Regulation Development

To implement SNAP in Puerto Rico, both FNS and ADSEF would need to follow the rulemaking process to implement new regulations. FNS would need to incorporate Puerto Rico in SNAP regulations. Broadly, this would entail removing the NAP block grant regulations, including Puerto Rico in the definition of a State, and incorporating any provisions where Puerto Rico would be treated differently from the 48 contiguous States and the District of Columbia (e.g., different eligibility thresholds, different basis for benefits). Following completion of the Federal rulemaking process, ADSEF's SNAP implementation steering committee would need to revise Puerto Rico's regulations to cease NAP operations and implement SNAP. This would entail drafting new program eligibility regulations and removing the regulations that establish guidelines for retailer certification and benefit redemption. The Federal rulemaking process for accomplishing these tasks would likely take FNS 18 months. To provide time for Puerto Rico to incorporate Federal regulations, if necessary, the full regulation development phase would take up to 24 months.

3. Program Design

During the program design phase, ADSEF's SNAP implementation steering committee would lead major decision-making about how SNAP would be implemented in Puerto Rico. The steering committee would review SNAP materials to learn the details of program administration, participate in State exchanges (i.e., visits to other State agencies) to see how other States agencies administer SNAP, and attend SNAP policy conferences and briefings to learn about best practices in SNAP administration. The steering committee would review all the required components of the annual SNAP State Plan of Operations and the routine reports State agencies submit.

The steering committee would also make program design decisions regarding the service delivery model, policy options and waivers, and strategies for implementing D-SNAP, SNAP E&T, and SNAP-Ed. As these decisions are made, the data systems manager would oversee development of preliminary business requirements and technical specifications for SNAP data systems necessary for implementing the decisions through a data systems contract. This process would likely be iterative because systems considerations affect policy decisions. Throughout this phase, FNS would provide technical assistance. The program design phase would likely take 2 years.

4. Planning

In the planning phase, the SNAP implementation steering committee would draft the components of the State Plan of Operations with FNS review and approval, engage a contractor that would develop and test the data systems, and plan for hiring and rollout. The planning phase would take 6 years.

During the first 4 years of the planning phase, the SNAP implementation steering committee would need to develop initial drafts of many of the components of the State Plan of Operations. During the last 2 years of this phase, the steering committee would receive feedback from FNS on the initial drafts of the plans, revise the plans, and resubmit them to FNS for approval. Throughout the planning phase, ADSEF would need to build relationships with a range of other Federal and Puerto Rico agencies and

organizations that would have a role in SNAP rollout and administration. By the end of the planning phase, the steering committee would also have created a plan for recruitment and onboarding of new staff needed to administer SNAP and identified staff for several future key SNAP roles, including a SNAP policy director, a SNAP QC statistician, and a SNAP E&T director. The steering committee would also need to develop a plan for SNAP rollout during this phase.

Concurrent with the development of the State Plan of Operations, the data systems project manager would oversee the FNS APD process that ensures State agencies meet all requirements for data systems development and receipt of Federal funding for data systems projects. The data systems project manager would also oversee procurement of the data systems contractor; the contractor would then develop the SNAP data systems following the business requirements and technical specifications drafted in the program design phase. State agencies can take from 4 to more than 10 years to complete the steps in the Advanced Planning Document process. No recent SNAP State agency data systems projects compare with the scale of the data systems work that would be required to implement SNAP in Puerto Rico, so data systems could require more time for Puerto Rico. For the purpose of this timeline, the data systems development process was estimated to take 6 years, driving the planning phase timeline.

At the end of the planning phase, ADSEF should have completed and FNS should have approved most components of State Plan of Operations; the data systems should be ready for user testing; ADSEF should have a comprehensive plan for hiring, staffing, outreach, and rollout; and most agreements with outside agencies should be in place.

5. Testing, Training, and Rollout

During the testing, training, and rollout phase, the SNAP implementation steering committee would need to oversee the completion of the remaining components of the State Plan of Operations, including the organizational outline, which describes the overall structure of the State agency and identifies the location of several key positions within the organizational structure. The steering committee would also need to review all components of the State Plan of Operations to ensure all materials meet the requirements of the State Plan of Operations Guide for the fiscal year SNAP enrollment would begin. Finally, the steering committee would oversee rollout of SNAP across Puerto Rico. Testing, training, and rollout would occur over a 24-month period. While this phase could be completed in advance of 24 months, this timeframe allows for any delays in moving from user acceptance testing to pilot or from pilot to rollout.

The pace of SNAP implementation and the number of people involved would increase during this phase. Over 24 months, ADSEF and FNS would focus on different aspects of the implementation process for each of three subcomponents of the phase, although many activities would stretch across all three subcomponents:

- ▶ For the first 12 months, the focus would be on testing systems and processes, developing training materials, hiring, continuing outreach to retailers, and authorizing retailers.
- ▶ During the next 6 months, the focus would shift to training and the communications campaign for participants; authorizing retailers, hiring, and testing would continue.
- ▶ Assuming a staggered rollout, ADSEF would begin issuing SNAP benefits to the pilot population 18 months into the testing, training, and rollout phase; hiring, training, outreach, and authorizing retailers would continue.

At the end of this phase, ADSEF would be operating SNAP throughout the island. The SNAP implementation steering committee would continue to provide oversight and coordination across all activities, and many other staff members and contractors would be needed to prepare and implement the SNAP rollout. ADSEF would need to ensure adequate staffing of NAP, even as many staff members work on SNAP implementation.

B. Estimates of SNAP Participation in Puerto Rico

The study team used 2019 Puerto Rico Community Survey data in a microsimulation model to develop SNAP participation estimates under both standard Federal SNAP rules and BBCE rules. Both estimates use the SNAP eligibility thresholds in effect for the 48 contiguous States and the District of Columbia. This section presents findings from the microsimulation; see Thorn et al. (2022) for detailed descriptions of the microsimulation methods, assumptions, and limitations in estimating SNAP participation.

Transitioning from NAP to SNAP would increase the number of household units receiving nutrition assistance in Puerto Rico. The study team estimated that in 2019 in an average month, 936,000 household units would be eligible for SNAP using Federal SNAP rules. Given assumed rates of participation below 100 percent, more than 838,000 of these eligible household units would likely participate in SNAP, for an increase of 16 percent over NAP participation (see table 15.1). Using BBCE rules, approximately 965,000 household units would be eligible for SNAP; 861,000 of these household units would likely participate in SNAP, for an increase of 19 percent over NAP in 2019. The increase in participation would be higher using BBCE rules than Federal SNAP rules because BBCE has a higher gross income screen and no asset test.

The transition from NAP to SNAP would also increase the percentage of the total population in Puerto Rico covered by nutrition assistance. With a total population of 3.19 million individuals in Puerto Rico in 2019 (based on the PRCS), about 1.45 million (45.4 percent of the population) would have participated in SNAP using the estimates based on Federal SNAP rules, and 1.49 million (46.6 percent) would have participated in SNAP using the estimates based on BBCE rules. In comparison, less than 42 percent of the population participated in NAP.

Table 15.1. Microsimulation Results: Estimated SNAP Participation in Puerto Rico

Measure	NAP	SNAP	Change
Federal Rules			
Participating household units	723,435	838,418	+15.9%
Participating individuals	1,330,902	1,449,360	+8.9%
Coverage of Puerto Rico population	41.7%	45.4%	+3.7 points
BBCE Rules			
Participating household units	723,435	860,866	+19.0%
Participating individuals	1,330,902	1,488,620	+11.9%
Coverage of Puerto Rico population	41.7%	46.6%	+4.9 points

Note: The 2019 PRCS-based microsimulation model provides estimates of the number of household units that would be eligible for SNAP in an average month during 2019.

BBCE = broad-based categorical eligibility; PRCS = Puerto Rico Community Survey

Sources: NAP participation: Administrative data for 2019 provided by ADSEF; SNAP participation: 2019 PRCS-based microsimulation model using Federal SNAP rules or BBCE rules and assumed participation rates

C. Implementation and Ongoing Costs

The study team estimated rough order of magnitude costs to Puerto Rico and the Federal Government for implementing and operating SNAP in Puerto Rico. This section presents cost estimates; see Thorn et al. (2022) for detailed description of the methods, assumptions, and limitations in calculating the cost estimates.

To estimate implementation costs, the team used a “building up” strategy based on estimates of the amount of time ADSEF and FNS staff would need to spend each year leading up to SNAP implementation and labor rates.

- ▶ Implementing SNAP (i.e., carrying out the regulation development; program design; planning; and testing, training, and rollout phases) is estimated to cost between \$341 million and \$426 million over the course of the 10-year implementation period. Approximately 84 percent of the total estimated implementation cost is for data systems development.

To estimate ongoing operating costs, the team used actual SNAP cost data for fiscal years 2017, 2018, and 2019 from State agencies with similar administrative models and caseload size to that assumed in Puerto Rico.⁹⁸ The State-based estimates were adjusted to account for Puerto Rico’s lower salary scale:

- ▶ Administering SNAP on an annual basis after rollout would cost an estimated \$249 million to \$414 million.⁹⁹ This includes costs for certification, issuance, fraud control, data systems operation and maintenance, SNAP E&T, QC, fair hearings, management evaluations, and SNAP-Ed. It also includes costs for the FNS National and Regional Offices. FNS would incur about 54 percent of these costs, including about 50 percent of Puerto Rico’s administrative costs.
- ▶ The estimated cost of benefits issued to SNAP participants in Puerto Rico would be \$4.5 billion annually based on an estimated average monthly SNAP participation of 861,000 households.
- ▶ Had Puerto Rico administered SNAP in FY 2021, the estimated cost to the Federal Government for program administration and benefits (\$3.8 billion) would have been nearly double the cost of NAP (\$2.0 billion). Puerto Rico’s estimated portion of SNAP administrative costs in FY 2021 would have been 2.4 times greater than its costs for NAP.¹⁰⁰

⁹⁸ Comparison States were Georgia, Illinois, Massachusetts, Michigan, Pennsylvania, and Washington.

⁹⁹ The lower estimate assumes no increases to the FY 2021 salary scale for ADSEF staff other than inflation. The higher estimate assumes a salary increase of 75 percent; this increase is based on an analysis of eligibility worker salaries and the salary for a position with similar educational requirements. See the implementation plan for more detail.

¹⁰⁰ This estimate assumes FY 2021 salary levels for ADSEF and FNS staff, adjusted for inflation.

Chapter 16. Moving Forward: Conclusions and Considerations

NAP is a crucial component of Puerto Rico’s safety net. More than 40 percent of the population participates in the program, and the block grant of approximately \$2.0 billion in FY 2021 (USDA FNS, 2020b) represents a sizable portion of the overall government budget of \$22 billion (FOMB, 2020). The block grant structure of the program leads to some unique challenges compared with SNAP. Total NAP grant funding is fixed, which requires ADSEF to set lower net income thresholds for most households and limit maximum benefits to about half of the benefit amount in the 48 States and the District of Columbia (in the absence of disaster and pandemic relief funding). This disparity between NAP and SNAP has prompted legal action. Further, the block grant impedes Puerto Rico’s ability to respond quickly to natural disasters and other factors that hinder the economy because congressional approval is required for additional funding. Under SNAP, State agencies can request D-SNAP benefits directly from USDA without congressional action, and program participation can expand to meet increased need driven by economic downturns. Because the block grant funds benefits and 50 percent of administrative costs, ADSEF also minimizes administrative costs to maximize benefits to NAP participants. SNAP State agencies do not experience this barrier to investing in technology, infrastructure, and capacity because benefits are entirely separate from administrative expenses.

Although implementing SNAP in Puerto Rico would have many potential benefits, SNAP would also bring several challenges. Section A summarizes the major changes that would be required to transition from NAP to SNAP, section B describes facilitators of SNAP implementation in Puerto Rico, section C discusses barriers to SNAP implementation, section D discusses potential changes to NAP that could improve current program operations and enable a smoother transition to SNAP, and section E provides final considerations and conclusions.

A. Changes Required to Implement SNAP

Implementing SNAP in Puerto Rico would require significant changes to policy, procedures, and data systems. This section summarizes the main changes that would be required to transition from NAP to SNAP.

1. Policies

ADSEF would need to make major policy decisions that would affect program applicants, participants, and operating costs, including the following:

- ▶ **Eligibility.** Policy decisions would need to be made concerning BBCE, a Standard Utility Allowance, reporting requirements for changes in household circumstances, and length of certification. These policies would affect household eligibility and the cost and complexity of determining eligibility and benefits.
- ▶ **Work requirements and SNAP E&T.** ADSEF would need to modify the planned ABAWD work requirement and create entirely new policies for general work requirements and a SNAP E&T program. Mandatory SNAP E&T would impose greater administrative burden on ADSEF than voluntary SNAP E&T. ADSEF could also consider requesting a waiver of the ABAWD time limit.

ADSEF would need to describe the policy decisions made across all program areas in the State Plan of Operations and policy manuals. SNAP versions of these documents require much more detail than NAP versions, and many SNAP plans would be entirely new for ADSEF (e.g., SNAP E&T plan). FNS would need to provide technical assistance for policy development.

Policies set at the Federal level in advance of potential SNAP implementation in Puerto Rico would also have important implications:

- ▶ **Basis for benefits.** If the authorizing legislation specifies a different basis for benefits than one used by the State agencies, FNS would need to develop a TFP for Puerto Rico or identify other procedures for establishing the basis for SNAP benefits in Puerto Rico.
- ▶ **Implementation timeline and funding.** The amount of time and money allotted for the design and implementation of SNAP (including the development of new data systems) would affect the feasibility of successful SNAP implementation.
- ▶ **Authorizing a geographically staggered rollout.** A geographically staggered rollout would enable ADSEF to test new systems and make real-time updates to improve accuracy and maintain program integrity. It would also give ADSEF more time to accomplish the challenging task of certifying approximately 861,000 households. Puerto Rico would need to be granted the authority to concurrently operate NAP and SNAP during this rollout period.
- ▶ **Providing a QC “grace period.”** During this grace period, Puerto Rico would participate in all QC processes, but FNS would not assess liability amounts based on payment error rates. Such a grace period would give Puerto Rico time to work out all aspects of SNAP.

2. Data Systems

ADSEF would need to develop new data systems for SNAP across all program areas to determine eligibility (for SNAP and D-SNAP), issue benefits, manage cases, and verify data. These systems would also need to produce required financial, SNAP E&T, D-SNAP, fraud investigation, fair hearing, administrative disqualification, QC, SNAP-Ed, and ADP reports, which are more detailed under SNAP than for NAP. The systems ADSEF uses to perform many of these functions for NAP are outdated, and the differences between NAP and SNAP are too significant to update NAP data systems for SNAP.

FNS would also need to update its data systems to incorporate Puerto Rico as a SNAP State agency.

3. Procedures

Although NAP has many of the same program areas as SNAP, SNAP is highly regulated and would require ADSEF to make substantial changes to NAP procedures:

- ▶ **Program integrity.** ADSEF would need to establish processes for monitoring EBT card replacements, referring fraud cases to law enforcement, and investigating participants involved in cases where FNS finds retailers engaged in trafficking SNAP benefits. ADSEF would also need to create a claims management plan, develop procedures for conducting SNAP QC reviews and submitting results to FNS, and design procedures for conducting SNAP management evaluations at the project-area level and participating in Federal SNAP management evaluations at the State agency level.

- ▶ **Work requirements and SNAP E&T.** ADSEF would need to develop processes for work registration and the monitoring and enforcement of work requirements. ADSEF would also need to develop a SNAP E&T program, which could be implemented by ADSEF and/or partners such as community colleges, CBOs, or AJCs. ADSEF would need to develop formal partnerships with SNAP E&T providers, referral processes, participant reimbursement processes, and SNAP E&T data collection processes.
- ▶ **Disaster response.** Implementing D-SNAP would be a much different approach to disaster relief than has previously been taken in Puerto Rico. ADSEF would need to develop procedures for requesting waivers and operating a D-SNAP. This would involve coordination across ADSEF and with partners to gather the information needed for the waiver requests, open and operate D-SNAP sites, and determine eligibility and issue benefits for D-SNAP applicants.
- ▶ **Nutrition education.** To implement SNAP-Ed, ADSEF would need to conduct a robust nutrition education needs assessment, implement new types of interventions and/or partner with others capable of implementing these interventions, and conduct more formal program monitoring and evaluation.
- ▶ **Participant communications.** ADSEF would need to develop all required SNAP notifications and ensure they can meet timeliness requirements. The eligibility and case management data systems would need to be developed to generate and send these notifications.

FNS would not need to develop new procedures for SNAP in Puerto Rico, but it would need to make significant adjustments, including expanding the capability for providing technical assistance and program materials in Spanish. Perhaps the biggest change for FNS would be assuming responsibility for the authorization and monitoring of 3,000–3,200 retailers in Puerto Rico who predominantly speak Spanish.

B. Facilitators of SNAP Implementation in Puerto Rico

Of the many strengths in Puerto Rico related to SNAP implementation, four stand out as especially important: community awareness regarding nutrition assistance programs, broad support for SNAP, recent and planned NAP updates, and the dedication of NAP staff.

1. Strong Communications Networks for NAP Participants

Because of the program's size and reach, NAP is an important topic in Puerto Rico. Strong communication networks keep participants informed about NAP; these networks would be useful in supporting SNAP implementation.

2. Broad Support for SNAP in Puerto Rico

ADSEF leadership and staff, FOMB, retailers, and community-based and nonprofit organizations were supportive of SNAP, in large part because of the increase in nutrition assistance benefits. Some emphasized the social justice issue of disparate nutrition assistance between Puerto Rico and the States, while others noted increased Federal funding in Puerto Rico would help the economy. Retailers anticipated higher benefit levels would increase their sales while improving nutrition for participants. Many stakeholders also supported SNAP because it would enable Puerto Rico to respond to disasters more readily and because the island as a whole would benefit if work requirements increased labor force participation and SNAP E&T helped recipients develop skills.

Although most stakeholders interviewed in Puerto Rico supported SNAP, some were less enthusiastic. Some CBOs, while aware of higher benefit levels, were not familiar enough with all the nuanced differences between the programs to express strong support or opposition to SNAP implementation. Others were concerned that while nutrition assistance benefits could increase for some participants, other participants, including older adults, people with disabilities, and university students, could have a decrease in benefits or lose eligibility for nutrition assistance because of differences in eligibility criteria, household composition rules, asset limits, and income deductions.

3. Recent and Planned NAP Updates

Recent natural disasters and the COVID-19 pandemic have given ADSEF ample experience with implementing changes to NAP. For instance, ADSEF rapidly shifted away from in-person services during the COVID-19 pandemic and used relief funding to expand eligibility and raise benefit levels.

ADSEF plans to implement several other changes to NAP that could make it more similar to SNAP and therefore decrease the amount of change required for SNAP implementation. Specifically, ADSEF plans to implement a NAP work requirement based on the SNAP ABAWD work requirement. ADSEF also plans to improve the efficiency of eligibility determination by transitioning to a full online application and digital case files, which will facilitate the move to a casebanking model for processing applications.

“They [employees] feel a sense of pride of being part of ADSEF, of working years here, of helping people, of serving people, and of helping people living in poverty qualify for benefits. ... They are prideful to be part of an important administration of the country because they recognize that we work with the poverty of the country. This you can see on employees that have been here years or, maybe, those who start enthusiastic to help other and decrease the poverty and hunger of the country.”

—ADSEF leadership interview

4. Dedicated Staff

ADSEF has an extremely dedicated staff of frontline and administrative employees (see text box). Although employee recruitment and retention are challenging, ADSEF has many staff members with decades of experience. Staff throughout the agency go above and beyond to meet the needs of families across the island.

C. Barriers to SNAP Implementation in Puerto Rico

Successful implementation of SNAP in Puerto Rico would depend on the ability of Congress, FNS, and Puerto Rico’s Government to meet a variety of challenges. The five central challenges to implementation are: staffing, budget limitations, the lack of SNAP policy expertise in Puerto Rico, the potential for interruptions to the implementation process, and translation and interpretation of program materials.

1. Staffing

Successfully implementing SNAP would require a large increase in ADSEF staff. For example, ADSEF is anticipated to need an additional 550 eligibility workers for SNAP. In addition to more eligibility workers, more staff would be needed for program integrity, SNAP E&T, nutrition education, reporting, and data systems.

Recruiting and retaining needed staff would be one of Puerto Rico’s biggest barriers to SNAP implementation. The primary challenge to eligibility worker recruitment is the low salary band for the

position (see chapter 7).¹⁰¹ It is also challenging to fill open leadership positions because ADSEF has no processes in place to train staff to the next level. As a result, for many critical NAP functions, only one or two people have the necessary knowledge and skills to perform the job. If the efforts of these critical staff were directed toward the planning and rollout of SNAP, operating NAP simultaneously could become more difficult. Without substantial changes to staff salaries and succession planning, it would be exceedingly difficult for ADSEF to fulfill staffing requirements for SNAP implementation.

2. Budget Limitations

SNAP implementation in Puerto Rico is estimated to cost between \$341 million and \$426 million, inclusive of data systems development. Once implemented, SNAP administrative expenses would cost Puerto Rico more than twice NAP administrative expenses (in 2021 dollars, an estimated \$95 million for SNAP instead of the actual FY 2021 NAP administrative cost to Puerto Rico of \$40 million). Although there is widespread support for SNAP in Puerto Rico, including from the FOMB, it may be challenging for Puerto Rico to provide more funding for nutrition assistance administrative costs given the financial constraints imposed on the island to restructure its debt.

3. Limited SNAP Expertise

Because Puerto Rico has been operating NAP since 1982, there is limited expertise in Puerto Rico on SNAP policy and SNAP data systems; these two substantive areas form the foundation for successfully designing, planning, and implementing SNAP. Although ADSEF staff may be familiar with program areas in SNAP that are similar to NAP, the two programs have many important differences, and some parts of SNAP would be completely new for ADSEF (e.g., SNAP E&T). Therefore, ADSEF leadership would require significant support and guidance from FNS's National Office and MARO. Other ways to ensure sufficient SNAP policy and data systems expertise in Puerto Rico during SNAP implementation include the following:

- ▶ Engaging SNAP SMEs as long-term consultants or permanent staff to be a part of ADSEF's SNAP implementation steering committee
- ▶ Hiring a strong IT project manager with a thorough understanding of the Federal APD process, Federal requirements for SNAP data systems, Federal data security standards, and all other activities related to implementing data systems projects of the size and scope required for SNAP in Puerto Rico; this project manager would need a large, dedicated team to support the systems development process
- ▶ State exchanges for ADSEF staff to observe how State agencies administer SNAP, including data systems walk-throughs
- ▶ Comprehensive technical assistance and training for all ADSEF employees on SNAP policies, procedures, and data systems

4. Implementation Interruptions

As with complex projects anywhere, many factors could disrupt the SNAP implementation timeline. For Puerto Rico, two factors stand out. First, Puerto Rico is prone to natural disasters, which could require a

¹⁰¹ To expedite an increase in staff salaries, the FOMB requires agencies to present evidence that the current salary levels are leading to a deterioration in the quality of services provided, at which point salary increases are considered (i.e., not guaranteed). It is challenging for agencies to present sufficient evidence.

shift in focus to disaster response. Second, progress could be delayed by turnover in political leadership in Puerto Rico. Given the estimated 10-year implementation timeline, political leadership could change multiple times. FNS staff reported such changes have resulted in lost progress in long-term projects. Although this potential challenge does not affect the overall feasibility of implementing SNAP, it does have implications for the likelihood of meeting the estimated implementation timeline and costs.

5. Translation and Interpretation

Translation and interpretation services would be required for many of the activities involved in SNAP implementation, particularly program design and planning. Although many ADSEF staff and contractors are bilingual in Spanish and English, not all are, and the level of English proficiency varies. Documents shared by FNS (e.g., guidance) should be translated to Spanish, and translation or interpretation should be available for all meetings and other communications between ADSEF and FNS, data systems developers, State exchange partners, and others.

D. Strengthening NAP

Several changes could be made to NAP prior to SNAP implementation that could improve NAP and facilitate a transition. ADSEF could more readily adopt these changes if provided additional funding.

1. Revise Eligibility and Benefit Levels

Eligibility criteria and benefit levels are set for NAP based on the block grant funding. With increased funding, NAP eligibility and benefits could be made more similar to SNAP, as was done when Puerto Rico received disaster relief funding. The higher NAP net income limits have been made permanent, but they are still lower than SNAP net income limits for most households. The benefit level increase was temporary.

2. Implement General Work Requirements and Employment and Training

ADSEF already plans to implement NAP work requirements in 2023 based on SNAP ABAWD work requirements. Implementing general work requirements and offering an employment and training program could ease a transition to SNAP.

3. Expand Nutrition Education

Expanding NAP NEP to meet SNAP-Ed requirements would ease a transition to SNAP-Ed. Such changes could include a more robust needs assessment, coordination with other Federal nutrition programs, and implementation of various evidence-based interventions (i.e., direct education, PSE, social marketing).

4. Revise NAP Retailer Requirements

NAP retailer requirements could be revised to be more similar to those of SNAP. For instance, inventory requirements could be changed to match those of SNAP. Retailers would need adequate time to make needed adjustments, and ADSEF would need time to update store inspection and retailer application evaluation processes.

E. Final Considerations and Conclusions

This study has assessed the crucial changes that would be required to transition from NAP to SNAP in Puerto Rico. A separate report details the estimated 10-year SNAP implementation timeline, implementation costs of \$341 million to \$426 million, ongoing administrative costs of \$249 million to \$414 million per year, and SNAP benefits cost of \$4.5 billion (Thorn et al., 2022). As discussed above, Puerto Rico has several important strengths that would facilitate successful SNAP implementation, including broad political support for SNAP, but the anticipated challenges, particularly staff recruitment and retention, are considerable. Without the ability to offer higher salaries to increase staffing, it would be difficult to successfully implement SNAP in Puerto Rico. Congress could increase the likelihood of implementation success by setting a timeline that ensures thorough planning and preparation, supplying funding to support implementation activities by ADSEF and FNS, and providing a grace period after initial SNAP implementation before Puerto Rico is liable for meeting payment error rate targets and other program metrics.

Abbreviations and Acronyms

AABD	Aid to the Aged, Blind, or Disabled Program
ABAWD	able-bodied adult without dependents
ADEA	Administración para el Desarrollo Empresarial Agropecuario
ADP	automated data processing
ADSEF	Administración de Desarrollo Socioeconómico de la Familia
AJC	American Job Center
ALERT	Antifraud Locator EBT Retailer Transactions
APD	Advance Planning Document
BBCE	broad-based categorical eligibility
BEERS	Beneficiary Earnings Exchange Record System
BENDEX	Beneficiary Data Exchange
C2ER	Council for Community and Economic Research
CAO	Caribbean Area Office
CAP	Corrective Action Plan
CAPER	case and procedural error rate
CARES Act	Coronavirus Aid, Relief, and Economic Security
DDEC	Departamento de Desarrollo Económico y Comercio (Department of Economic Development and Commerce)
DIP	División de Integridad Programática (Division of Program Integrity)
DMF	Death Master File
DMV	Department of Motor Vehicles
D-SNAP	Disaster Supplemental Nutrition Assistance Program
EARS	Education and Administration Reporting System
EBT	electronic benefit card

eDRS	Electronic Disqualified Recipient System
EITC	Earned Income Tax Credit
E&T	Employment and Training
FBI	Federal Bureau of Investigation
FFCRA	Families First Coronavirus Response Act
FICA	Federal Insurance Contributions Act
FNS	Food and Nutrition Service
FOMB	Financial Oversight and Management Board
FPRS	Food Programs Reporting System
FRS	Federal Retirement Systems
FSP	Food Stamp Program
FY	fiscal year
GAO	Government Accountability Office
IPV	intentional program violation
IT	information technology
LIHEAP	Low Income Home Energy Assistance Program
LWDA	Local Workforce Development Area
MARO	Mid-Atlantic Regional Office
MER	Medición de Esfuerzo y Resultados (Measurement of Efforts and Results System)
MPR	Mathematica Policy Research
NAC	National Accuracy Clearinghouse
NAP	Nutrition Assistance Program
NDNH	National Directory of New Hires
OASDI	Old Age, Survivors, and Disability Insurance
OIC	Oficina de Inspección y Certificación (Office of Inspection and Certification)

OTI	Office of Technology and Information
PARIS	Public Assistance Reporting Information System
P-EBT	Pandemic electronic benefit transfer
PIP	Partido Independentista Puertorriqueño (Independent Party)
PNP	Partido Nuevo Progresista (New Progressive Party)
POS	point of sale
PRCS	Puerto Rico Community Survey
PREMA	Puerto Rico Emergency Management Agency
PRIFAS	Puerto Rico Income Financial Accounting System
PPD	Partido Popular Democrático (Popular Democratic Party)
PUPS	Prisoner Update Processing System
QC	Quality Control
REDE	Retailer Electronic Data Exchange
RFP	Request for proposals
RIPID	Retailer and Issuance Policy and Innovation Division
ROB	Retail Operations Branch
ROC	Office of Retailer Operations and Compliance
SAIC	Sistema de Administración e Información de Casos
SAVE	Systematic Alien Verification for Entitlements
SDNH	State Directory of New Hires
SDX	State Data Exchange
SNAP	Supplemental Nutrition Assistance Program
SNAP-Ed	SNAP Nutrition Education and Obesity Prevention
SOLO/SOLQ-I	State Online Query/State Online Query-Internet
SSA	Social Security Administration

SSI	Supplemental Security Income
SSN	Social Security Number
SSO	State Systems Office
STARS	Store Tracking and Redemption System
SVES	State Verification & Exchange System
TANF	Temporary Assistance for Needy Families
TFP	Thrifty Food Plan
USDA	U.S. Department of Agriculture
WIC	Special Supplemental Nutrition Program for Women, Infants, and Children

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Appendix A. Supplemental Tables for Methodology

Table A.1. NAP and SNAP Documents Included in Environmental Scan and Document Review

Documents Reviewed	
NAP	SNAP
<ul style="list-style-type: none"> • Code of Federal Regulations—Title 7, Parts 210–299 • Food and Nutrition Act of 2008 • NAP State Plan of Operations FY 2021 • Reglamento 8857: Concesión y Autorización Para Debitar Fondos del PAN • Ponencia Sobre el Reglamento para la Concesión y Uso de la Autorización para Debitar de los Fondos del Programa de Asistencia Nutricional (PAN) • Reglamento 8684: Normas de Elegibilidad del PAN • Reglamento 7757: Reglamento Para Establecer los Procedimientos de Adjudicación de Controversias Ante la Junta Adjudicativa del Departamento de la Familia. • Reglamento 9230: Uniform Regulation for Purchases and Bids of Good, Works, and Nonprofessional Services of the General Services Administration of the Government of Puerto Rico • Reglamento 8775: Reglamento para la Organización y Desarrollo de Mercados Agrícolas Familiares en Puerto Rico • Plan de Reorganización Numero 1 de 1995, Enmendada • NAP Disaster Relief Plan FY 2020–2021 • NAP Relief for Puerto Rico Comprehensive Plan (July 9, 2018) • Nutritional Assistance Program Relief (July 2018) • NAP Relief for Puerto Rico Comprehensive Plan Amendment (July 2, 2019) • Disaster Relief Modification (Jan 2019) • Review of FNS’ Nutrition Assistance Program Disaster Funding to Puerto Rico as a Result of Hurricanes Irma and Maria • Timeliness of the Disbursement of the \$600 Million Disaster Nutrition Assistance Grant • Puerto Rico: Information on How Statehood Would Potentially Affect Selected Federal Programs and Revenue Resources • Puerto Rico: Factors Contributing to the Debt Crisis and Potential Federal Actions to Address Them • PR Disaster Relief July Issuance—FNS 366-A • PR Disaster Relief July Issuance Requirements • Manual de Procedimientos COVID-19 (COVID-19 Procedures Manual) • NAP Retailer Application • NAP Overview Presentation—Disaster and COVID-19 Relief 	<ul style="list-style-type: none"> • SNAP FY 2021 Maximum Allotments and Deductions • SNAP FY 2021 Minimum Allotments • SNAP FY 2021 Income Eligibility Standards • SNAP FY 2021 Maximum Allotments and Deductions (Pre-COVID-19) • FY 2021 State Plan of Operations Guide • SNAP Farmers Market Authorization • SNAP EBT transaction flow • SNAP Claims Overview • SNAP-Ed Overview • SNAP Data Matching Overview • SNAP Fair Hearings Overview • SNAP State Reporting Overview • SNAP Civil Rights Overview • SNAP Disqualifications Overview • SNAP Privacy and Disclosure of Household Data Overview • SNAP Administrative Costs Report • Tools for Systems Development • State Agency Guide for SNAP Eligibility System Upgrades • Federal Rulemaking Process • Non-Merit Call Center Guidance • SNAP Requirements • Guidance for Improving State Timeliness Rates and Standardizing the Escalation Process • Pennsylvania Claims Management Plan • SNAP Fraud Framework • SNAP Fraud Framework Supplemental Materials • SNAP Fraud Framework Press Release • SNAP Fraud Framework Overview • SNAP Recipient Fraud 101 • SNAP Claims Overview • PDD Follow-Up Questions • EBT and Online SNAP: Answers From RIPID • Retailer Authorization and Monitoring: Answers From ROC • SNAP Outreach: Answers From PDB • Civil Rights Authorities • FNS Instruction 113-1

Documents Reviewed

NAP	SNAP
<ul style="list-style-type: none"> ● MER System Manual ● FY 2019 NAP MER Report to MARO ● NAP Memorandum of Understanding—Department of Agriculture ● NAP Memorandum of Understanding—Department of Health ● NAP Memorandum of Understanding—Department of Education ● NAP Memorandum of Understanding—Department of Labor ● SNAP-Ed: Answers From CAO ● NAP Participant Notification Form ● Explanation of the Role of Lawyers and Department of Justice in NAP Program Integrity ● ADSEF Transition Plan—Current Contracts ● ADSEF Transition Plan—Expenses and Projections FY 2020–2021 ● ADSEF Transition Plan—Expenses FY 2020–2021 ● ADSEF Transition Plan—Detailed Projections and Expenses of Federal Funds ● ADSEF Transition Plan—Detailed Projections and Expenses of State Funds ● ADSEF EBT Budget—FY 2020–2021 ● ADSEF NAP Budget—FY 2020–2021 ● ADSEF NAP Operations Budget—FY 2020–2021 ● ADSEF IT Budget—FY 2021 ● ADSEF Budget—SAIC FY 2021 ● Budget Nutrition Education Program ● Radicación de Querellas por Fraude de Participantes y/o Comerciantes (Settlement of Participant and/or Retailer Fraud Claims) ● 2020 Fiscal Plan for Puerto Rico Restoring Growth and Prosperity ● COVID-19 Emergency Effect on Puerto Rico’s Economy ● Cumplimiento con Políticas Establecidas Sobre el Uso de Beneficios TANF – Categoría C ● Implementing Supplemental Nutrition Assistance Program in Puerto Rico: A Feasibility Study ● Examination of Cash Nutrition Assistance Program ● 2017 SNAP Disaster Evacuee Policy for Hurricane Irma Disaster Area Evacuees ● Treatment of Households Receiving Puerto Rico’s NAP Who Apply for SNAP ● Treatment of Households Receiving Puerto Rico’s NAP Who Apply for SNAP – Extension of Option for Temporarily Displaced Households ● Clarification – Treatment of Households Receiving Puerto Rico’s NAP Who Apply for SNAP 	<ul style="list-style-type: none"> ● Roles and Responsibilities—PRAO ● SNAP Cost-of-Living Allowance Memorandum FY2021 ● SNAP Pandemic Planning Guidelines

Documents Reviewed

NAP	SNAP
<ul style="list-style-type: none">● Providing Child Nutrition Program Benefits to Disaster Survivor Evacuees● NAP Forms Provided by ADSEF	

Note: ADSEF = Administración de Desarrollo Socioeconómico de la Familia (Administration for the Socioeconomic Development of the Family); CAO = Caribbean Area Office; EBT = electronic benefit transfer; FPRS = Food Program Report System; IT = information technology; MARO = Mid-Atlantic Regional Office; MER = Medición de Esfuerzo y Resultados (Measurements of Efforts and Results); PAN = Programa de Asistencia Nutricional (Nutrition Assistance Program); PDB = Program Development Branch; PDD = Program Development Division ; PR = Puerto Rico; PRAO = Planning and Regulatory Affairs Office; RIPID = Retailer and Issuance Policy and Innovation Division; ROC = Office of Retailer Operations and Compliance; SAIC = Sistema de Administración e Información de Casos (Case Information and Management System); SNAP-Ed = SNAP Nutrition Education and Obesity Prevention Services grant program

Table A.2. ADSEF Staff and Stakeholders Interviewed During Site Visit to Puerto Rico

Topic Area	ADSEF Staff	Non-ADSEF Stakeholders
Certification and benefit issuance policies and procedures	<ul style="list-style-type: none"> ● NAP Director ● Director for Operational Services ● Assisting Administrator for Operational Services ● Director of the Office of Legal Affairs ● Assisting Administrator for Finance and Budget ● Director of the Division of Strategic Planning ● Finance Division staff ● Budget Division staff ● Nine Regional Office staff ● Nine Local office staff 	<ul style="list-style-type: none"> ● Six CBOs ● Financial Oversight and Management Board
NAP/SNAP administration	<ul style="list-style-type: none"> ● ADSEF Administrator ● NAP Director ● Director for Operational Services ● Assisting Administrator for Operational Services ● Assisting Administrator for Finance and Budget ● Assisting Administrator for Human Resources and staff ● Director of the Office of Legal Affairs ● Assisting Administrator for Administrative Services ● Assisting Administrator for Finance and Budget ● Budget Division staff ● Contract Division staff ● Community Relations Office staff 	<ul style="list-style-type: none"> ● Financial Oversight and Management Board ● Government of Puerto Rico Human Resources Administration and Transformation Office
Program integrity	<ul style="list-style-type: none"> ● Programmatic Integrity Division staff ● Finance Division staff ● Assisting Administrator for Finance and Budget ● Office of Technology and Information staff ● Office of Inspection and Certification staff ● Office of Legal Affairs staff ● Adjudicative Board President ● Regional Office staff 	<ul style="list-style-type: none"> ● Leductech Solutions ● Evertec ● KPG
Disaster NAP/SNAP	<ul style="list-style-type: none"> ● Assisting Administrator for Operational Services ● Emergency Management staff 	<ul style="list-style-type: none"> ● Two CBOs ● Red Cross ● Puerto Rico Emergency Management Agency
Nutrition education	<ul style="list-style-type: none"> ● NAP Director ● Nutrition Education Program nutritionist/supervisor and staff 	<ul style="list-style-type: none"> ● Puerto Rico Food and Nutrition Commission ● Expanded Food and Nutrition Education Program staff

Topic Area	ADSEF Staff	Non-ADSEF Stakeholders
Retailer management	<ul style="list-style-type: none"> ● Office of Inspection and Certification staff ● Office of Legal Affairs staff 	<ul style="list-style-type: none"> ● Three Small Rural Retailers ● One Small Urban Retailer ● Two Large Retailers ● Asociación Comercio al Detal de Puerto Rico (Puerto Rico Retailers Association) ● Cámara de Mercadeo, Industria y Distribución Alimentos (Grocers Association) ● Puerto Rico Department of Agriculture
Data systems	<ul style="list-style-type: none"> ● Assisting Administrator for Finance and Budget ● Finance Division staff ● Office of Technology and Information staff 	<ul style="list-style-type: none"> ● Leductech Solutions ● Evertec ● KPG
Work registration and employment and training	<ul style="list-style-type: none"> ● ADSEF Administrator ● NAP Director ● Director for Operational Services ● Assisting Administrator for Operational Services ● Director of the Office of Legal Affairs ● Assisting Administrator for Finance and Budget 	<ul style="list-style-type: none"> ● Department of Labor and Human Resources ● Financial Oversight and Management Board ● Department of Economic Development and Commerce ● Local Workforce Development Areas ● SuperMax ● Department of Education ● Innovative Strategic Corp ● General Training Partnership Advisory Group ● CCM Health ● ICPR Junior College

Note: ADSEF = Administración de Desarrollo Socioeconómico de la Familia (Administration for the Socioeconomic Development of the Family); CBO = community-based organization

Appendix B. Summary of Changes Required to Implement SNAP in Puerto Rico

Tables B.1 through B.10 summarize the major differences between SNAP and NAP by chapter and programmatic topic area. The differences represent policies and program design characteristics that ADSEF would need to incorporate if implementing SNAP in Puerto Rico. Unless otherwise noted, the information presented on SNAP refers to Federal SNAP rules for the 48 States and the District of Columbia for fiscal year 2021. This appendix does not consider a comprehensive set of SNAP State options. Information on NAP reflects program operations in 2021.

Table B.1. Legislative and Regulatory Changes Required to Implement SNAP in Puerto Rico (Chapter 5)

Authority	Changes Required
Congress	Provide authority to operate SNAP in Puerto Rico by amending Food and Nutrition Act of 2008
USDA	<ul style="list-style-type: none"> ● Modify or remove the general terms and conditions for NAP block grant at 7 C.F.R. § 285 ● Amend the definition of “State” in 7 C.F.R. § 271.2, so Puerto Rico agency operating SNAP could be treated as a SNAP State agency ● Detail basis for setting maximum benefit allotments in Puerto Rico for each household size in 7 C.F.R. § 273.10(e)(4) ● Detail gross and net income limits for Puerto Rico in 7 C.F.R. § 273.9(a) ● Detail allowable income deductions for Puerto Rico in 7 C.F.R. § 273.9(d)
Puerto Rico	<ul style="list-style-type: none"> ● Pass legislation replacing any language governing NAP with new legislative text providing statutory authority governing the operation of SNAP in Puerto Rico ● Publish regulations to codify statutory changes and provide additional specificity related to the requirements for operating SNAP in Puerto Rico, including those regarding certification and eligibility, benefit issuance and redemption, monitoring and program integrity, and disaster assistance

Table B.2. Differences Between SNAP and NAP Eligibility Determination and Benefit Issuance Policies (Chapter 6)

Programmatic Area	SNAP	Puerto Rico NAP
Household Definition		
Basic definition of a household	<p>Definition: individuals who share a residential unit and purchase and prepare food together</p> <p>Elderly individuals (60 or older): those unable to purchase and prepare meals separately because of a permanent disability may apply as a separate household with their spouses if the other people with whom they reside have income equal to or less than 165 percent of Federal Poverty Guidelines</p>	<p>Definition: individuals who share a residential unit, including in some cases individuals who do not live in the residence (i.e., because of work, school, or hospitalization)</p> <p>Elderly individuals (60 or older): may be considered a separate household (even if they purchase and prepare food with other household members)</p> <p>Other separate households: certain individuals, such as adults with disabilities, can also form their own households</p>
Inclusion of noncitizens	<p>Following noncitizens are eligible:</p> <ul style="list-style-type: none"> ● U.S. nationals ● Asylees ● Refugees ● Those with deportation withheld ● Cuban or Haitian entrants ● Trafficking victims ● Iraqi or Afghan Special Immigrants ● Certain American Indians born abroad ● Hmong or Highland Laotian tribal members <p>The following noncitizens are eligible under certain conditions:</p> <ul style="list-style-type: none"> ● Lawfully admitted permanent residents ● Parolees ● Conditional entrants ● Battered spouses or children and their family members <p>All other noncitizens are ineligible</p>	<p>Following noncitizens are eligible:</p> <ul style="list-style-type: none"> ● Legal residents ● Parolees admitted as result of emergency or public interest for no less than 1 year ● Persons with permission for conditional entrance to United States <p>The following noncitizens are eligible under certain conditions:</p> <ul style="list-style-type: none"> ● Spouses, parents, and children of abuse victims with pending application for conditional entrance to United States (asylees, refugees including Cuban and Haitian entrants, trafficking victims, people with pending deportation, and in some cases, Afghan or Iraqi citizens) <p>All other noncitizens are ineligible</p>

Programmatic Area	SNAP	Puerto Rico NAP
Student eligibility	<p>Children 5–17: No requirements related to student status</p> <p>Postsecondary students: Those enrolled at least half time at an institution of higher education are ineligible for SNAP unless they meet an exemption, such as being younger than 18 or 50 or older, working at least 20 hours per week, participating in work study, participating in SNAP Employment & Training program or certain other workfare programs, caring for a dependent child, or being mentally or physically unfit</p>	<p>Children 5–17: Must be enrolled in school, participate in liberal studies program for completion of 12th grade, or receive home schooling</p> <p>Postsecondary students: None</p>
Financial Eligibility Criteria, Assets		
Asset limit	<p>Households with no older adults or people with disabilities: \$2,250*</p> <p>Households with older adults or people with disabilities: \$3,500**</p> <p>Assets of household member who receives Supplemental Security Income (SSI) or benefits through Temporary Assistance for Needy Families (TANF) are not included in asset test. If all members of household receive TANF, General Assistance, or SSI, entire household is exempt from asset test</p> <p>State agencies that opt for broad-based categorical eligibility (BBCE) can choose not to require asset test for households categorically eligible</p>	<p>Households with no older adults or people with disabilities: \$5,000</p> <p>Households with older adults: \$15,000</p> <p>Assets of household members who have been determined totally and permanently disabled and who receive benefits for disability are not counted</p>

Programmatic Area	SNAP	Puerto Rico NAP
Vehicle assets	<p>Not counted</p> <ul style="list-style-type: none"> ● Vehicles worth \$1,500 or less ● Certain income-producing vehicles ● Vehicles used as mobile homes ● Vehicles used for long-distance work travel ● Vehicles needed for transportation of a household member who is physically disabled ● Vehicles needed to carry water or fuel <p>Counted</p> <ul style="list-style-type: none"> ● Fair market value in excess of \$4,650 for one vehicle per adult and for any vehicles used by household member younger than 18 to commute to employment, training, or education ● Higher of either fair market value exceeding \$4,650 or equity value for all other vehicles <p>State agencies have option of substituting the vehicle rules used by their TANF program for SNAP vehicle rules when they result in lower household asset total</p>	<p>Not counted</p> <ul style="list-style-type: none"> ● One vehicle per household, independent of its value or use ● Vehicles used for the transportation of a household member with a disability ● Vehicles used to produce income ● Vehicles used for subsistence (e.g., taxis, tractors, mobile homes) ● Vehicles used for study <p>Counted</p> <ul style="list-style-type: none"> ● Value of additional vehicles in excess of \$6,000
Nonvehicle assets	<p>Nonvehicle assets include</p> <ul style="list-style-type: none"> ● Cash ● Money in checking and savings accounts ● Instruments issued by banks and credit unions (e.g., savings certificates, certificates of deposit) ● Stocks ● Bonds ● Shares in mutual funds ● Nonliquid assets (e.g., personal properties, real estate other than household residence) 	<p>Nonvehicle assets include</p> <ul style="list-style-type: none"> ● Cash ● Money in checking and savings accounts ● Saving certificates ● Stocks ● Bonds ● Lump-sum payments ● Nonliquid assets (e.g., personal properties, real estate other than household residence) ● Individual retirement account savings and interest

Programmatic Area	SNAP	Puerto Rico NAP
Assets of ineligible individuals	<p>People ineligible for SNAP in household have their assets included in the asset test when they are ineligible as result of—</p> <ul style="list-style-type: none"> ● Intentional program violations ● Felony drug conviction ● Fleeing felon disqualifications ● Workfare or work requirements sanctions ● Social Security number disqualifications ● Comparable disqualifications^a ● Child support disqualifications ● Ineligible able-bodied adults without dependents (ABAWDs) ● Ineligible noncitizens 	<p>People ineligible for NAP in the household have their assets included in the asset test when they are ineligible as a result of:</p> <ul style="list-style-type: none"> ● NAP disqualification ● Children not enrolled in school ● Ineligible noncitizens
Financial Eligibility Criteria, Included Income and Income Limits		
Included income	<p>Income includes—</p> <ul style="list-style-type: none"> ● Cash income earned from wages, salaries, tips, commissions, self-employment, and independent contracting ● Most unearned cash income ● Deemed income of noncitizen’s sponsor, where applicable <p>Income may be averaged according to methods established by the State agency</p> <p>Income excludes—</p> <ul style="list-style-type: none"> ● Loans ● Combat pay for deployed military personnel ● Most noncash income and in-kind benefits ● Any income earned by elementary or secondary school students 17 or younger 	<p>Income includes—</p> <ul style="list-style-type: none"> ● Cash income earned from wages, salaries, training, annuities, and self-employment ● Most unearned cash income <p>During certification, anticipated income is considered and variable income is averaged over prior 3 months</p> <p>Income excludes—</p> <ul style="list-style-type: none"> ● Loans ● Most noncash income and in-kind benefits ● Any income earned by elementary or secondary school students 17 or younger <p>Some restrictions and exemptions are applied to income from TANF beneficiaries</p>
Gross income limit	<p>Limit: less than 130 percent of Federal Poverty Guidelines for the household size. Gross income limits can be higher under BBCE (e.g., 200 percent of Federal Poverty Guidelines)</p> <p>Units with elderly or disabled members are not subject to gross income test^b</p>	None

Programmatic Area	SNAP	Puerto Rico NAP
Net income limit	<p>Limit: at or below 100 percent of Federal Poverty Guideline for the household size</p> <p>Units in which all members receive Federal TANF-IV-A, State TANF Maintenance of Effort benefits, General Assistance, or SSI are categorically eligible and exempt from gross and net income test</p>	<p>Limit: less than or equal to established maximum net income for that unit size. Net income thresholds are based on available block grant funding and estimated program participation</p>
Income of ineligible individuals	<p>People disqualified from SNAP for program violation have their income included</p> <p>At State agency option, income of other household members ineligible for SNAP can be included in its entirety or prorated</p>	<p>People ineligible for NAP in household have their income included when they are ineligible as a result of—</p> <ul style="list-style-type: none"> • Disqualification from NAP for program violation or from any other public assistance program for fraud • Disqualification for not providing or showing evidence of having requested a Social Security number • Ineligible noncitizens and people without proper documentation of citizenship • Children aged 5–17 disqualified for not being in school
Income Deductions and Exemptions		
Standard deduction	<ul style="list-style-type: none"> • \$167 for households of one to three people • \$181 for households of four people • \$212 for households of five people • \$243 for households of six or more people 	\$100 for all households
Income deduction	20 percent of gross earned income of all household members	<ul style="list-style-type: none"> • 50 percent of total earned income and unemployment income, with minimum of \$100 and maximum of \$600 <p>OR</p> <ul style="list-style-type: none"> • Unearned income, including child support and assistance from relatives and friends: \$100. Deduction for unearned income may not be combined with the deduction for older adults, disability, or medical expenses
New employment income deduction	None	<p>Income from new employment of at least 25 hours/week:</p> <ul style="list-style-type: none"> • Months 1–6: 100 percent excluded • Months 7–12: 66 percent excluded • Months 13–18: 33 percent excluded
Dependent care deduction	Based on out-of-pocket costs incurred for care of children and other dependents	<ul style="list-style-type: none"> • Each child under 2 or minor aged 2–17 with disabilities: \$225 • Each child aged 2 or older or adult dependent under 60 with mental or physical disabilities: \$200

Programmatic Area	SNAP	Puerto Rico NAP
Child support payment deduction or exemption	At State agency option, child support payments may be deducted or excluded from income	None
Excess shelter expense deduction	<ul style="list-style-type: none"> Shelter costs greater than half of household's remaining net income after all other deductions up to a maximum of \$586; no maximum for households with adults 60 and older or individuals with disabilities. Homeless shelter deduction: \$156.74 	None
Medical expense deduction	Some out-of-pocket medical costs exceeding \$35 per month incurred on behalf of household individuals who are elderly (60 or older) or persons with disability (receiving SSI or similar benefits)	For people 60 and older, people with disabilities, and children: \$100
Older adults and disability deduction	None	<ul style="list-style-type: none"> Each household member 60 or older: \$100 OR <ul style="list-style-type: none"> Each household member who is completely disabled: \$100
Terminal illness deduction	None	<ul style="list-style-type: none"> Income of people with terminal illness: \$100
University student deduction	None	<ul style="list-style-type: none"> Each member of the household who is a full-time university student: \$100
Other deductions and exemptions	None	<ul style="list-style-type: none"> Income of farmers and farmworkers: maximum \$760 Income of farmers and farmworkers during harvest season for approved products: 100 percent Income from Social Security, veteran pensions, and retirement pensions: 50 percent
Benefit Calculations and Amounts		
Basis for benefits	<p>Based on June cost of Thrifty Food Plan for family of four, adjusted for household size</p> <p>Maximum benefit is 100 percent of the Thrifty Food Plan for unit size^c</p> <p>Maximum benefit is indexed to inflation and includes cost-of-living adjustment</p>	Set for each household size based on number of participants and amount of Federal block grant
Benefit calculation	Benefit = maximum benefit amount - 30 percent of net income	Benefit = maximum benefit amount - 15 percent of net income
Minimum benefit formula	One- and two-person households get minimum benefit equal to 8 percent of cost of maximum SNAP allotment for unit containing one member	Set for each household size based on number of participants and amount of Federal block grant

Programmatic Area	SNAP	Puerto Rico NAP
Benefit adjustments (other than for over- or under-issuances)	None	<ul style="list-style-type: none"> ● 20 percent of maximum benefit for one-person household added for each older adult in household ● Monthly adjustment based on available block grant funds <ul style="list-style-type: none"> – First 4 percent of adjustment reserved for use in Family Markets for households living in areas with Family Markets

Note: * For FY 2022, this limit was increased to \$2,500.

** For FY 2022, this limit was increased to \$3,750.

^a Comparable disqualifications: If a disqualification is imposed on a member of a household for failure to perform an action required under a Federal, State or local means-tested public assistance program, the State agency may impose the same disqualification on the member of the household under SNAP.

^b Federal Poverty Guidelines are uniform for the 48 contiguous States and the District of Columbia but higher in Alaska and Hawaii. For SNAP eligibility determination, Guam and the Virgin Islands use the same poverty guidelines as the 48 contiguous States.

^c Maximum benefit levels are different in Alaska, Hawaii, Guam, and the Virgin Islands, but as with the 48 States and the District of Columbia, the benefit levels are based on the Thrifty Food Plan for a family of four and adjusted for economies of scale.

Table B.3. Differences Between SNAP and NAP Eligibility Determination and Benefit Issuance Procedures (Chapter 7)

Programmatic Area	SNAP	Puerto Rico NAP
Planning Documents		
Plan of Operations	<p>Requirements</p> <ul style="list-style-type: none"> ● Federal-State Agreement ● Budget Projection Statement (FNS-366A) ● Program Activity Statement (FNS-366B) ● Quality Control (QC) Sampling Plan ● SNAP Employment and Training (E&T) Plan ● Disaster SNAP (D-SNAP) Plan ● Organizational Outline ● Systematic Alien Verification for Entitlements (SAVE) Plan ● Income and Eligibility Verification System (IEVS) Plan ● Claims Management Plan ● Disqualification for Failure to Meet Work Requirements Plan ● Definition of Fleeing Felon ● Client Reporting System ● Nutrition Education (SNAP-Ed) Plan (if implemented) ● Informational Activities to Low-Income Households Plan (Outreach Plan) (if implemented) 	<p>Topics included</p> <ul style="list-style-type: none"> ● Eligibility requirements (both financial and nonfinancial) ● Benefit levels ● Application process ● Appeals process for adverse actions ● Planned NAP work requirements ● Benefit issuance and redemption ● Program integrity ● Retailer authorization and management ● Family Markets ● Nutrition education ● Data systems ● Reporting
Waivers and demonstration projects	<p>Administrative waivers: waive certain SNAP regulatory requirements</p> <p>Demonstration projects: waive certain Federal statutory requirements</p> <p>FNS must approve each waiver request and State agencies must provide supporting data for waiver extension requests</p>	<p>Waivers: allow for changes to policies and procedures as described in NAP Plan of Operations</p> <p>Waivers must be approved by FNS</p>

Programmatic Area	SNAP	Puerto Rico NAP
Eligibility Determination and Benefit Issuance		
Application procedures and requirements	<p>Application submission: paper or electronic Interview: in person or telephonic</p> <p>State agencies are required to make accommodations for applicants who do not speak conversational English; State agencies are also required to provide telephone interviews in cases where face-to-face interview presents hardship</p> <p><i>Note: State agencies develop their own application procedures, and each has its own unique SNAP application</i></p>	<p>Application submission: paper Interview: in person at local ADSEF office</p> <p>Eligibility workers conduct home visits in cases where visiting a local office presents a hardship</p>
Systems and Databases used for certification and recertification	<p>Each State agency has a separate database and system for maintaining applicant and participant information.</p> <p>Data matching required for certification:</p> <ul style="list-style-type: none"> ● Death Master File ● Prisoner Verification System ● National Directory of New Hires ● Income and eligibility system (IEVS) ● Systematic Alien Verification for Entitlements (SAVE) Program ● The Electronic Disqualified Recipient System (eDRS) ● Gambling and lottery winnings are verified from source administered by State if State has data match with gaming entities <p>Optional data matching for certification:</p> <ul style="list-style-type: none"> ● State Data Exchange and Beneficiary Data Exchange (BENDEX), ● Public Assistance Reporting Information System (PARIS) ● Other State or territory databases ● Commercial databases 	<p>All data are entered and maintained in the Sistema de Administración e Información de Casos (SAIC). Paper casefiles are official casefiles; they are maintained in local offices</p> <p>NAP regulations do not require data matches</p>

Programmatic Area	SNAP	Puerto Rico NAP
Verification of information	<p>State agencies can verify information provided through checking documentation, collateral contacts, and home visits</p> <p>Some verifications are required. Others may be done at State agency option</p>	<p>Applicants provide required documents in person, by mail, or electronically; if any documents are in doubt, technicians corroborate information with entity that issued document</p> <p>If applicants cannot provide any documents, and eligibility worker has exhausted all means for obtaining them within time limit for rendering eligibility decision, applicant may submit written certification of information provided in application subject to perjury penalties</p>
Application processing	<p>Timeliness requirement: benefits must be received within 30 days of date of application</p> <p>Expedited services: eligibility determination and benefit issuance must be made within 7 days of application for eligible applicants</p> <p>Benefit start date: date of application</p> <p>First month benefits: prorated based on date of application according to following formula: $(\text{full month's benefits}) \times (\text{number of days in month} + 1 - \text{date of application}) / (\text{number of days in month})$</p>	<p>Timeliness requirements: eligibility determination within 30 days from date application is signed and filed by applicant (i.e., day they first visit local office to begin application).</p> <p>Benefit start date: date of application</p> <p>First month benefits: applications received between 1st and 10th of month receive 100 percent of benefits for month, applications received between the 11th and 20th receive 66 percent, and applications received between the 21st and 31st receive 34 percent</p>
Benefit issuance and expungement	<p>Participants receive monthly benefits through EBT card. Unused benefits must be expunged after 274 days. State agencies must notify households they will have benefits expunged no later than 30 days before expungement date</p>	<p>Participants receive monthly benefits through their EBT card. Unused benefits are expunged after 120 days of account inactivity. Any benefits reserved for use at Family Markets not used within 120 days of issuance are expunged from account and returned to program, even if account is otherwise active</p>
Recertification and Change Reporting		
Recertification procedures and certification periods	<p>Certification period cannot exceed 12 months unless all adult household members are elderly or have disabilities. In those cases, maximum certification period is 24 months</p> <p>Recertification process is similar to initial application process; most documentation already on file does not need to be resubmitted unless changes in income or expenses exceed certain threshold</p>	<p>Certification periods range from 3 to 24 months based on household composition and circumstances</p> <p>To recertify, participants attend an in-person interview and provide same documents required for initial certification</p>

Programmatic Area	SNAP	Puerto Rico NAP
Requirements for reporting changes	<p>State agencies can require participants to report changes as they occur or at predetermined intervals. State agencies can also opt for simplified reporting, which requires participants to report three types of changes as they occur:</p> <ul style="list-style-type: none"> ● When their total countable income exceeds 130 percent of Federal Poverty Guidelines for their household size ● When work hours for participants who are able-bodied adults without dependents drop below 20 hours per week ● When member of household wins substantial lottery or gambling winnings <p>Under simplified reporting, households certified for longer than 6 months must submit periodic report confirming household's circumstances; for households composed entirely of individuals who are elderly or have disabilities, periodic report is required if certification period is longer than 12 months</p>	Households are required to report most changes to household circumstances within 10 days in person or by mail

Table B.4. Differences Between SNAP and NAP Program Integrity Policies and Procedures (Chapter 8)

Programmatic Area	SNAP	Puerto Rico NAP
Case reviews		
Case review policies and processes	<p>State agencies conduct monthly Quality Control (QC) reviews of randomly selected samples of active and negative cases to check for correct eligibility determination and benefit allotment</p> <p>State agencies submit review results to FNS monthly through SNAP QC system, where staff re-review a subsample of cases</p>	<p>ADSEF reviews randomly selected samples of active and negative cases each quarter to check for correct eligibility determination and benefit allotment</p> <p>ADSEF submits results to MARO quarterly. MARO selects a subsample of the reviewed cases, and staff member from CAO conducts re-review</p>
Error rate calculation	FNS calculates State agency and national payment error rates and other metrics.	ADSEF calculates error rates and other metrics
Case review penalties and corrective actions	<p>State agencies with error rates above certain threshold are classified as being in liability status in first year and assessed penalties if they do not move out of liability status in second consecutive year</p> <p>In addition to being assessed penalties, State agencies with high error rates or low QC completion rates must develop corrective action plans to address the root causes of these rates</p>	None
Participant Fraud Prevention and Investigations		
Fraud prevention	State agencies must provide applicants and participants with information on program rules and proper use of benefits	All new NAP participants receive education about fraud in their participant orientation and must sign form (ADSEF 106) indicating they have been informed about NAP participation rules and requirements

Programmatic Area	SNAP	Puerto Rico NAP
Fraud detection	<p>State agencies must operate fraud hotline where individuals can report instances of SNAP fraud and abuse</p> <p>State agencies are responsible for investigating participants involved in cases where FNS finds retailers engaged in trafficking SNAP benefits; other units within State agency may refer cases for investigation if fraud is suspected as result of certification or recertification determination, QC reviews, and management evaluation case file reviews</p> <p>Routine data matching may also yield potential instances of fraud and abuse, such as identifying duplicate program participation through PARIS or failure to report change in household after death of a beneficiary using Social Security Administration’s Death Master File</p> <p>FNS also requires State agencies to monitor card replacement activity and issue Excessive Card Replacement Notice to recipients who have requested excessive EBT card replacements within 12 months; if benefit trafficking is suspected, case must be referred to State agency’s fraud investigation unit</p>	<p>Suspicious cases that may involve fraud are referred to DIP in response to allegations made to the 311 governmentwide hotline, submitted to ADSEF directly, or referred to DIP by other units within ADSEF (e.g., eligibility workers, MER technicians, EBT reconciliation). Most fraud referrals come from the local offices. Matches through certain databases, such as PARIS, BENDEX, or local databases, can also trigger fraud investigations</p>
Fraud investigation	<p>State agencies are required to investigate cases of potential eligibility fraud and trafficking and develop policies and procedures for fraud investigations. They must maintain fraud management system, including agreement with State or territory law enforcement agencies to establish procedures for referring fraud cases for criminal prosecution and hearing process for participants found to have committed intentional program violation but not eligible for referral to law enforcement for criminal prosecution</p> <p>Participants have option of waiving their right to hearing</p>	<p>ADSEF investigators in regional offices investigate cases</p> <p>Fraud investigation may consist of interviewing household, visiting household’s community, visiting employers or other organizations, and obtaining data from outside databases</p> <p>ADSEF handles all participant fraud cases; no current agreement with law enforcement agency</p>

Programmatic Area	SNAP	Puerto Rico NAP
Claims and Sanctions		
Claims	State agencies must initiate claims process for overpayments greater than \$125. State agencies must develop plan for establishing and collecting claims that provides orderly claims processing and results in claims collection amounts similar to those at national level All funds recouped through claims process are returned to U.S. Department of the Treasury	When overpayments are identified, claim is opened against household to recoup excess funds Funds recouped through claims process are returned to program
Sanctions	Participants who commit intentional program violations are suspended from program for 1 year after first violation, 2 years after second violation, and permanently disqualified after third violation	Participants who commit intentional program violations are suspended from program for 1 year after first violation, 2 years after second violation, and permanently disqualified after third violation
Management Evaluations and Civil Rights Compliance Reviews		
State management evaluations	State agencies have primary responsibility to evaluate whether each of their project areas administers SNAP according to the law, the regulations, and the State plan	ADSEF conducts annual evaluations of local office processes and procedures, focusing primarily on review of case files
Federal management evaluations	FNS Regional Office staff conduct annual management evaluations, including program access reviews, of State agency activities	MARO conducts annual NAP management evaluations
Federal and State civil rights compliance reviews	State agencies have primary responsibility to evaluate whether each of their project areas administers SNAP according to civil rights requirements FNS Regional Office staff conduct annual civil rights compliance reviews of State agency activities	The FNS Civil Rights Division conducts compliance reviews every 3–5 years to assess how NAP laws and regulations are being implemented
Corrective action plans	Project areas develop corrective action plans to address deficiencies identified through management evaluations and civil rights compliance reviews	ADSEF develops corrective action plans to address deficiencies identified through management evaluations and civil rights compliance reviews

Note: ADSEF = Administración de Desarrollo Socioeconómico de la Familia (Administration of the Socioeconomic Development of the Family); CAO = Caribbean Area Office; EBT = electronic benefit transfer; DIP = División de Integridad Programática (Division of Program Integrity); MARO = Mid-Atlantic Regional Office; MER = Medición de Esfuerzo y Resultados (Measurement of Efforts and Results); PARIS = Public Assistance Reporting Information System

Table B.5. Differences Between SNAP and NAP Retailer Authorization and Management (Chapter 9)

Programmatic Area	SNAP	Puerto Rico NAP
Retailer Applications and Eligibility Determination		
Retailer applications	<p>Retailers submit application and required documents to FNS online</p> <p>Retailers must be reauthorized every 5 years</p> <p>Retailers considered high risk may be required to apply for reauthorization more frequently</p> <p>For most stores, FNS orders a store visit as part of application process</p>	<p>Retailers submit application and required documents to ADSEF by mail or in person</p> <p>Retailers must be reauthorized every 2 years</p> <p>ADSEF OIC staff are required to conduct inspection of retail location at authorization, reauthorization, yearly, and any other time as deemed necessary</p>
Stocking requirement	<p>Staple food sales exceed 50 percent of total gross retail sales –or–</p> <p>Have at least three stocking units of at least three varieties for each of the four staple food categories (fruits or vegetables; dairy; meat, poultry, or fish; breads or cereals) on continuous basis, including at least three stocking units of at least one perishable staple food variety in at least two staple food categories</p>	<p>At least 50 percent of the food for sale must be staple foods (vegetables, fruits, and fruit and vegetable juices; dairy; meat, poultry, and/or fish; bread, bread products, and/or cereals)</p>
Retailer eligibility determination	<p>FNS uses SNAP Store Tracking and Redemption System (STARS) to run matches on store and orders store visit to verify information</p> <p>Timeliness requirement: 45 days, not including any time retailers take to respond to a request for additional information</p>	<p>ADSEF registers all applications in the Sistema para la Determinación de Elegibilidad de Comercios (SDEC, Retailer Eligibility Determination System) and conducts a store visit to verify information</p> <p>Timeliness requirement: 30 days</p>
EBT Transactions		
Eligible items	<ul style="list-style-type: none"> ● Any food or food product intended for human consumption except alcoholic beverages, tobacco, and hot foods and hot food products prepared for immediate consumption ● Food prepared and/or served by certain providers (e.g., homeless shelters) ● Seeds and plants to grow foods for personal consumption by eligible households 	<ul style="list-style-type: none"> ● Any food or food product for human consumption that is not prepared (alcohol, tobacco, hot foods, and foods for immediate consumption without nutrition facts are ineligible) ● Food prepared and/or served by certain providers (e.g., homeless shelters) ● Plants and seeds to grow food for personal or family consumption ● Prepared foods and food products for immediate consumption with nutrition facts

Programmatic Area	SNAP	Puerto Rico NAP
EBT transactions	<p>Benefits can be redeemed at retailers that have been authorized by FNS for participation in SNAP</p> <p>Most retailers must pay for EBT point of sales (POS) terminal and service to process EBT transactions; POS terminal is provided for some retailers</p> <p>EBT cards must be interoperable across all States and territories that administer SNAP</p>	<p>Benefits can be redeemed at retailers that have been certified by ADSEF for participation in NAP</p> <p>Retailers must pay for their POS terminal and service to process EBT transactions</p> <p>NAP EBT cards are only compatible with retailers located in Puerto Rico; SNAP benefits issued by State agencies cannot be redeemed in Puerto Rico</p>
EBT processors	<p>State agencies are responsible for securing contractor for EBT processing. State agencies send data on benefit issuances and expungement to EBT processors so they know how much SNAP participants have available for purchases</p> <p>Processor is responsible for calculating transactions successfully completed and eligible for settlement every day</p> <p>Funds are then transferred from U.S. Department of the Treasury to retailers (through intermediaries)</p> <p>EBT processor for each State agency is required to pick up Retailer Electronic Data Exchange (REDE) file from FNS each day to ensure only approved retailers are allowed to process SNAP EBT transactions</p> <p>EBT processors are required to send FNS transaction data daily. These data are maintained in SNAP Antifraud Locator EBT Retailer Transactions (ALERT) database</p>	<p>ADSEF contracts Evertec for EBT processing. ADSEF's OIC sends Evertec file every business day with complete list of authorized retailers to ensure only approved retailers are allowed to process NAP EBT transactions</p>
Retailer Monitoring		
Fraud detection	<p>ALERT helps to detect fraud by identifying problematic patterns in EBT transactions combined with retailer characteristics recorded in STARS, and STARS notifies ROC personnel of retailers ALERT has identified as requiring further attention</p>	<p>Retailers are monitored using—</p> <ul style="list-style-type: none"> • EBT data/transaction reports (by ADSEF, ADSEF's EBT processor, and FNS) • Random undercover field investigations <p>The public can submit tips on potential fraud to ADSEF and to ADSEF's EBT contractor</p>
Fraud investigations	<p>FNS conducts undercover field investigations and paper investigations</p>	<p>ADSEF conducts undercover field investigations and paper investigations</p>

Programmatic Area	SNAP	Puerto Rico NAP
Penalties and sanctions	See table 9.2 for list of retailer penalties and sanctions	See table 9.2 for the list of retailer penalties and sanctions
Appeals	<p>FNS Administrative Review Branch performs administrative review of retailers appealing FNS actions</p> <p>Retailers must file for administrative review within 10 days of notification of FNS actions</p> <p>Retailer may obtain judicial review of appeal determination in U.S. District Court for region where retailer is located</p>	<p>Retailers can appeal ADSEF actions through Adjudicative Board of Department of the Family; retailers must file their appeal within 15 days of notification of ADSEF actions</p> <p>Decisions made by Adjudicative Board may be appealed through judicial system</p>

Note: ADSEF = Administración de Desarrollo Socioeconómico de la Familia (Administration of the Socioeconomic Development of the Family); EBT = electronic benefit transfer; OIC = Oficina de Inspección y Certificación (Office of Inspection and Certification)

Table B.6. Differences in Work Requirements and SNAP Employment and Training Between SNAP and NAP (Chapter 10)

Programmatic Area	SNAP	Puerto Rico NAP
General work requirements	All SNAP participants between 16 and 59 years old must register for work, participate in workfare or SNAP Employment and Training (E&T) if required by State agency, accept bona fide offer of employment, and not voluntarily quit or reduce hours of employment below 30-hour workweek	None
ABAWD work requirement	<p>Non-exempt able-bodied adults without dependents (ABAWDs) between ages 18 and 49 can only receive SNAP benefits for up to 3 months within 36-month period unless they participate in employment, training, or work-related activity for at least 20 hours per week (certain exceptions apply)</p> <p>State agencies may apply for waiver of ABAWD time limit for areas with unemployment rate greater than 10 percent or shortage of jobs; during economic downturns, most State agencies have qualified for statewide or partial waivers</p>	None
SNAP E&T	<p>State agencies are required to operate a SNAP E&T program</p> <p>State agencies must submit a SNAP E&T State Plan to FNS annually</p> <p>State agencies can decide whom they want to target with SNAP E&T services (e.g., all SNAP participants, work registrants) and what geographic service area(s) will offer SNAP E&T; State agencies determine whether participation in their SNAP E&T program is mandatory or voluntary</p> <p>State agencies are required to—</p> <ul style="list-style-type: none"> ● Offer case management ● Reimburse participants for expenses that are reasonable, necessary, and directly related to SNAP E&T participation ● Provide at least one of following SNAP E&T components: <ul style="list-style-type: none"> – Supervised job search – Job search training – Workfare or community service – Work experience (on-the-job training or apprenticeship) – Self-employment program – Education activities (basic education, English language learning, postsecondary education) – Vocational training – Job retention (90 days postemployment) <p>Federal Government provides grant to each State agency for administrative costs of its SNAP E&T program (100 percent funds)</p> <p>FNS reimburses State agencies 50 percent of additional administrative expenses they incur and for 50 percent of participant expenses that are reasonable, necessary, and directly related to participation in SNAP E&T</p>	None

Table B.7. Differences in SNAP and NAP Disaster Response Components (Chapter 11)

Programmatic Area	SNAP	Puerto Rico NAP
Planning	<p>State agencies are required to develop and submit Disaster SNAP (D-SNAP) plans to FNS as part of their annual SNAP State Plan of Operations</p> <p>All D-SNAP Plans must include (1) roles and responsibilities, (2) a resource readiness plan, and (3) an implementation plan</p>	<p>ADSEF developed D-NAP Plan based on FNS D-SNAP Plan template. Although D-NAP Plan has many similarities to D-SNAP Plan, fiscal year 2021 D-NAP Plan does not describe any waiver request and reporting or closeout requirements</p>
Waiver requests	<p>When disaster-affected area receives Presidential declaration authorizing Individual Assistance and commercial channels of food distribution are restored, State agency staff may complete a D-SNAP waiver request</p> <p>Agencies need to determine whether to request (1) supplements for current SNAP participants and/or (2) permission to operate a D-SNAP and provide D-SNAP benefits to those not currently participating in SNAP</p> <p>SNAP agencies may also request a waiver of timely reporting, a mass replacement waiver, or a hot foods waiver as part of their disaster response</p>	<p>Subject to FNS approval, waivers allow for changes to policies and procedures as described in the NAP Plan of Operations.</p>
D-SNAP certification and benefit issuance	<p>D-SNAP benefits are provided only to individuals affected by disaster and not currently receiving SNAP</p> <p>SNAP agencies are required to maintain a system that facilitates certifying D-SNAP participants, issuing D-SNAP benefits, and ensuring the applicant does not already receive SNAP benefits</p> <p>Eligibility workers review applications, conduct interviews, and make D-SNAP eligibility determinations</p> <p>Eligible households are issued EBT card; benefits are made available via the card within 3 days</p>	None
Other disaster response benefits	<p>Supplements provide additional benefits to ongoing SNAP households affected by the disaster by raising their benefit amount to maximum allotment for their household size</p> <p>Replacement benefits are provided to ongoing SNAP households by reissuing portion of their monthly benefit amount</p>	<p>ADSEF can adjust benefit schedules and disburse benefit supplements either immediately before or after an emergency to ongoing NAP households</p> <p>ADSEF reserves excess funding from block grant for replacement benefits</p>
Funding	<p>State agencies may submit requests to FNS to approve disaster relief funding</p> <p>D-SNAP benefits, supplements, and replacement benefits are funded entirely by Federal Government</p> <p>Administrative costs are reimbursed 50 percent by Federal Government</p>	<p>U.S. Congress must approve disaster relief funding for NAP</p>

Note: ADSEF = Administración de Desarrollo Socioeconómico de la Familia (Administration of the Socioeconomic Development of the Family); EBT = electronic benefit transfer

Table B.8. Differences in SNAP and NAP Nutrition Education (Chapter 12)

Programmatic Area	SNAP	Puerto Rico NAP
Objectives and planning	<p>SNAP Nutrition Education and Obesity Prevention Services grant program (SNAP-Ed) is an optional component designed to equip low-income individuals with tools and information to make healthy choices that align with U.S. Department of Agriculture’s guidance and Dietary Guidelines for Americans</p> <p>State agencies submit annual SNAP-Ed Plan to accomplish these objectives as part of State Plan of Operations</p>	<p>ADSEF operates Nutrition Education Program (NEP) to improve likelihood persons eligible for NAP will choose physically active lifestyles and make healthy food choices</p> <p>NAP NEP staff draft list of items they need to operate program each year; ultimately, ADSEF administrator decides final budget and items on list to be funded</p> <p>Final NEP plan to accomplish program objectives is included in NAP Plan of Operations each year</p>
Funding	State agencies are reimbursed for 100 percent of administrative costs	ADSEF sets aside part of NAP block grant to fund NEP; 50 percent of administrative expenses for NEP can be covered by block grant, with other 50 percent covered by Puerto Rico
Activities	<p>State agencies must implement individual or group-based direct nutrition education, health promotion, and intervention strategies</p> <p>State agencies must also implement comprehensive, multilevel interventions at multiple complementary organizational and institutional levels; community and public health approaches to improve nutrition and prevent obesity; or both</p>	No specific types of activities are required. In fiscal year 2021, NEP activities included nutrition education talks, online nutrition-focused messages, and collaboration with other agencies to deliver nutrition education and improve healthfulness of meals
Reporting	State agencies must report activities and results through an annual report and the Education Administration Reporting System (EARS) database	None

Note: ADSEF = Administración de Desarrollo Socioeconómico de la Familia (Administration for the Socioeconomic Development of the Family)

Table B.9. Differences in SNAP and NAP Administrative Functions (Chapter 13)

Programmatic Area	SNAP	Puerto Rico NAP
Outreach and Participant Communications		
Outreach	<p>SNAP Outreach is optional component designed to provide information on SNAP to potentially interested and eligible households</p> <p>State agencies submit annual plan to FNS and if approved can be reimbursed for 50 percent of their administrative costs</p>	ADSEF does not conduct outreach to potentially eligible households
Notifications	SNAP agencies must give adequate notice to participants whenever agency has taken an action or intends to take an action on their case; notice contents and timeliness are highly regulated	ADSEF sends notifications to participants about actions on their cases
Fair Hearings		
Fair hearings	<p>State agencies must provide process for participants to file claims or grievances and must have in place procedures for responding to such claims through a fair hearing; participants must submit their request within 90 days of the perceived grievance</p> <p>State agencies must budget for and track administrative spending for conducting SNAP fair hearings (reported using form 366-A) and report to FNS all activities related to fair hearings, including number of hearings requested and held; number of decisions upheld, reversed, and overdue; and number of withdrawn requests (form 366-B)</p>	<p>Participants, applicants, or their authorized representatives must file appeal verbally or in writing within 15 days of written notice of action taken</p> <p>Appeals are heard by Adjudicative Board of Department of the Family</p> <p>Appellants may submit reconsideration petition on Board’s decision within 20 days; if appellant disagrees with final decision, they may appeal to court of law</p> <p>ADSEF reports administrative spending on fair hearings as part of its overall administrative expenses; it is not separated out</p> <p>ADSEF does not report on fair hearings activities</p>

Programmatic Area	SNAP	Puerto Rico NAP
Civil Rights		
Civil rights protections	<p>SNAP protected classes include—</p> <ul style="list-style-type: none"> ● Race ● Color ● National origin ● Age ● Disability ● Religious creed ● Political beliefs <p>State agencies must include nondiscrimination statement in all SNAP certification notices provided to applicants and participants and in written materials, forms, and websites that provide information about programs or funded activities</p> <p>State agencies must make reasonable accommodations to ensure meaningful access to individuals with limited English proficiency</p> <p>State agencies are required to collect racial and ethnic data from SNAP applicants, participants, and potentially eligible individuals in accordance with civil rights regulations</p> <p>State agencies must conduct civil rights compliance reviews to ensure local offices and subrecipients are administering SNAP in compliance with civil rights requirements</p> <p>State agencies must provide civil rights training to local agencies, which, in turn, are responsible for training subrecipients, including volunteers; this training must be provided annually</p>	<p>NAP protected classes include:</p> <ul style="list-style-type: none"> ● Race ● Color ● Sex ● National origin ● Age ● Disability <p>All NAP recipients must sign Form ADSEF 106-E to certify they have been oriented to their civil rights</p> <p>Given linguistic context of Puerto Rico, where most of population is comfortable speaking in Spanish, NAP provides special considerations to ensure proper participation of English speakers in program</p> <p>ADSEF provides civil rights training to regional offices and staff once a year</p>
Civil rights complaints	<p>Participants may file complaint for discrimination based on any of the protected classes within 180 days of event triggering complaint</p> <p>FNS Civil Rights Division investigates civil rights complaints for most State agencies in each region</p>	<p>Participants may file complaint for discrimination based on any of the protected classes within 180 days of event triggering complaint</p> <p>FNS Civil Rights Division is responsible for investigating NAP civil rights claims with support from CAO</p>

Programmatic Area	SNAP	Puerto Rico NAP
Financial Management and Reporting		
Financial management and reporting	<p>State agencies must provide FNS with monthly reports, including data on SNAP participation, benefit issuance, and estimated value of benefit redemption that month</p> <p>Quarterly reports include status of claims against households and administrative expenditures in 25 cost categories</p> <p>State agencies are required to submit quarterly and annual reports describing SNAP E&T participants and outcomes</p> <p>Mandatory SNAP E&T programs have additional reporting requirements</p> <p>SNAP agencies must submit reports to FNS during and after a D-SNAP</p> <p>State agencies are required to prepare SNAP-Ed Annual Report providing overview of SNAP-Ed activities and outcomes, administrative expenditures, summary of formal evaluations completed during the reporting fiscal year, and description of planned improvements for the next fiscal year</p> <p>State agencies are also required to submit standardized data on SNAP-Ed programmatic outputs through Education and Administration Reporting System</p>	<p>NAP provides FNS with monthly reports, including data on NAP participation, benefit issuance, and estimated value of benefit redemption that month</p> <p>Quarterly reports include status of claims against households and administrative expenditures in four cost categories</p> <p>NAP versions of the forms submitted by ADSEF require less detail than SNAP versions; some forms required for SNAP have no NAP version</p> <p>No reporting is required for nutrition education</p>

Note: ADSEF = Administración de Desarrollo Socioeconómico de la Familia (Administration for the Socioeconomic Development of the Family); CAO = Caribbean Area Office; D-SNAP = Disaster SNAP; SNAP E&T = Employment and Training; SNAP-Ed = SNAP Nutrition Education and Obesity Prevention Services grant program

Table B.10. Differences in SNAP and NAP Data Systems (Chapter 14)

Programmatic Area	SNAP	Puerto Rico NAP
Core data systems	<p>Eligibility system collects and verifies certification criteria and enables benefit determination for SNAP; system also notifies participants of action on their cases or fair hearings processes and tracks the status of information requiring verification before certification</p> <p>Case management system (if not included in eligibility system) is a workload tracking management system for eligibility staff and supervisors. This system can track and assign tasks that require action by an eligibility worker in the eligibility system (e.g., applications to process, verifications to review). Workers can be assigned tasks through this system based on priority and workload, enabling an agency to adequately manage workload around key times of the month (e.g., for recertification). This type of data system can also schedule client appointments and send reminders. Case management systems are typically used when a State agency operates under the casebanking model.</p>	<p>Sistema de Administración e Información de Casos (SAIC; Case Management and Information System) is core data system that supports eligibility determination and provides case management functionality</p>
Data quality systems	<p>Data verification (matching) system verifies information with required data matches; data system must add disqualified records to eDRS and actions related to fraud detection to FNS through FPRS</p> <p>State QC data system samples active and negative cases, documents findings, and submits findings from reviews to Federal SNAP QC System</p>	<p>ADSEF does not have automated system for data matching</p> <p>MER is ADSEF’s case review system</p>
Data delivery systems	<p>EBT data system issues cards and benefits, tracks card replacements, and maintains records of EBT issuances to each household</p> <p>Financial management and accounting data system tracks and produces data for monthly, quarterly, and annual reports to FNS to meet reporting requirements</p> <p>SNAP E&T participation and outcomes tracking data system collects and reports quarterly participation data in SNAP E&T services and annual outcomes data</p> <p>D-SNAP data system determines eligibility under accelerated timelines and modified regulations for households with low income affected by a natural disaster</p>	<p>NAP EBT distributes NAP benefits via EBT cards to eligible participants; it also tracks account balances, deposits, and retailers’ transactions</p> <p>SAIC Batch is NAP payment authorization file. With information from SAIC, SAIC Batch identifies cases authorized to receive benefit issuance during specific month and makes additional calculations related to claims, adjustments, and retroactive cases. SAIC Batch sends information on benefit recipients and issuance amounts from SAIC to the NAP EBT system</p> <p>Puerto Rico Integrated Financial Accounting System (PRIFAS) is central government accounting system; it allows ADSEF to reconcile expenses and budgets. During reconciliation process, Finance Division manually reviews expenses to ensure they are</p>

Programmatic Area	SNAP	Puerto Rico NAP
		allowable under NAP. PRIFAS provides input to many NAP financial reports
Operational efficiencies	<p>Document imaging data system processes imaging of applications, client notices and forms, and other verification documents</p> <p>Online application data system enables public to enter application data and connect these data to SNAP workers through eligibility system (and EBT system if separate) to determine eligibility and benefit amounts and issue benefits; this system could also provide prescreening tools for public or SNAP workers to assess potential eligibility</p> <p>Online account data system facilitates participants' reporting of changes via online system; system also displays changes to eligibility and benefits and provides case management information for SNAP workers</p> <p>Call center data system manages call center contacts, provides general SNAP information and application and benefit status information, and is used to conduct certification interviews, handle customers' complaints, and process changes. In some State agencies, call centers go beyond these functions and more actively engage with participants during household certification and recertification processes</p>	<p>There is no document imaging system for NAP</p> <p>Sistema de Beneficios Individual y Familiar (SIBIF; Individual and Family Benefit System) is web-based eligibility predetermination application for NAP</p> <p>There is no online account system for NAP</p> <p>Residents may call 311 for general NAP information; this system serves many programs in addition to NAP</p>

Note: ADSEF = Administración de Desarrollo Socioeconómico de la Familia (Administration for the Socioeconomic Development of the Family); EBT = electronic benefit transfer; FPRS = Food Programs Reporting System; MER = Medición de Esfuerzo y Resultados (Measurement of Efforts and Results)

Appendix C. Federal Data Systems: Data Verification

Table C.1 describes national and State data systems used by State agencies for data verification in SNAP.¹⁰²

Table C.1. National and State Data Systems Used for SNAP Data Verification

Data System	Description	Host	Number of States Using Data Source ^a (of 51 States ^b)
National Data Systems			
40 Qualifying Quarters of Coverage	40 Qualifying Quarters data provide verification of 40 quarters of earnings, which qualify legal permanent residents for Social Security benefits	Social Security Administration	37
Beneficiary Earnings Exchange Record System (BEERS)	BEERS contains national earnings information from tax returns	Social Security Administration	22
Beneficiary & Earnings Data Exchange (BENDEX)	BENDEX provides information on Social Security and Medicare entitlement and benefit receipt	Social Security Administration	44
Electronic Disqualified Recipient System (eDRS)	<i>One of seven FNS-required data sources.</i> eDRS is Federal data source that provides up-to-date information on SNAP participants who have been disqualified for program violations	U.S. Department of Agriculture, Food and Nutrition Service	49
Federal Bureau of Investigation (FBI) Fleeing Felons	FBI Fleeing Felons data are accessed through National Crime Information Center to identify people who have been convicted of a felony and have violated parole and are not incarcerated	Federal Bureau of Investigation	7
Federal Retirement Systems (FRS)	FRS provides information on retired Federal employees receiving Federal retirement benefits	Office of Personnel Management	6
Internal Revenue Service (IRS) income information	This data source provides information from IRS tax returns	Internal Revenue Service	32
National Directory of New Hires (NDNH) new hire file	<i>One of seven FNS-required data sources.</i> NDNH contains national employment data on newly hired and existing employees compiled from State reports, quarterly wage reports, and unemployment compensation claims	U.S. Department of Health and Human Services, Office of Child Support Enforcement	47
Numident/Social Security Number (SSN) Verification	Numident is an application system that provides verification of SSN and limited identifying information	Social Security Administration	41
Old Age, Survivors, and Disability Insurance (OASDI)	OASDI provides data on monthly benefits to qualified retired and disabled workers and their dependents and to survivors of insured workers	Social Security Administration	25

¹⁰² In addition to the data systems listed in the table, SNAP regulations require State agencies to verify participant data using a State Income Eligibility Verification System (known as IEVS).

Data System	Description	Host	Number of States Using Data Source ^a (of 51 States ^b)
Public Assistance Reporting Information System (PARIS) Interstate file	PARIS matches recipients of public assistance to check if they receive duplicate benefits in two or more States. PARIS matches help identify improper payments and minimize fraud and abuse	U.S. Department of Health and Human Services, Administration for Children and Families	42
Prisoner Update Processing System (PUPS)/Social Security Administration (SSA) Prisoner Verification System	<i>One of seven FNS-required data sources</i> ; PUPS contains national data on people who are incarcerated and who have a control alert issued	Social Security Administration	42
Systematic Alien Verification for Entitlements Program (SAVE)	<i>One of seven FNS-required data sources</i> . SAVE provides verification for Federal, State, and local benefit-granting agencies to verify immigration status or naturalized/derived citizenship	U.S. Department of Homeland Security, U.S. Citizenship and Immigration Services	50
State Data Exchange (SDX)	SDX is a batch data exchange that provides Title 16 data to States that administer federally funded income and/or health maintenance programs	Social Security Administration	46
State Online Query/State Online Query-Internet (SOLQ/SOLQ-I)	SOLQ/SOLQ-I is online service that allows States real-time access to SSA's SSN verification service and retrieval of additional data; it enables State social services and other State benefit program personnel to rapidly obtain information they need to qualify individuals for programs	Social Security Administration	32
Social Security Administration (SSA) Death Master File (DMF)	<i>One of seven FNS-required data sources</i> . DMF is a Federal data source containing identifying information about deceased individuals	Social Security Administration	39
Supplemental Security Income (SSI)	SSI data contain individual-level records of receipt of SSI benefits	Social Security Administration	45
State Verification & Exchange System (SVES)	SVES is a batch query system that provides States and some Federal agencies with standardized method of SSN verification and uniform data response for Title 2 and/or Title 16 data for benefit program processing	Social Security Administration	43
The Work Number	The Work Number is a national data source that contains verification of employment and income data	Equifax	37
State Data Systems			
Department of Motor Vehicles (DMV)	State Department of Motor Vehicles database match verifies automobile assets and identification	Individual State agencies	25

Data System	Description	Host	Number of States Using Data Source ^a (of 51 States ^b)
Income information verified by other human service programs	These data are State-specific and include income data verified by other State agencies administering programs such as Temporary Assistance for Needy Families or Unemployment Insurance	Individual State agencies	14
Interstate data matching	State records for interstate data matching (beyond existing interstate data matching sources)	Individual State agencies	11
State Low Income Home Energy Assistance Program (LIHEAP) data source	State records of individuals receiving assistance under LIHEAP	Individual State agencies	17
National Accuracy Clearinghouse (NAC)	NAC established a shared data clearinghouse that allows limited number of participating States (Alabama, Florida, Georgia, Louisiana, and Mississippi) to check in real or near-real time whether a SNAP applicant is already receiving SNAP benefits in another pilot State	LexisNexis	5
State Directory of New Hires (SDNH)	SDNH is a centralized repository responsible for receiving new hire data reported by employers to the State	Individual State agencies	29
State birth records	Birth records recorded and maintained by a State or local agency	Individual State agencies	22
State child support payment	State or Federal Parent Locator Service child support databases for identification and income information	Individual State agencies	40
State death records	Death records recorded and maintained by a State or local agency	Individual State agencies	27
State gambling and lottery	<i>One of seven FNS-required data sources (for State agencies with a data match with gaming entities).</i> State records of gambling and lottery winners for asset information	Individual State agencies	14
State Prison Match	State Department of Correction prison records for identification information of incarcerated household members	Individual State agencies	29
State tax filings	State tax agency records for individuals who have filed taxes	Individual State agencies	4

Note: ^a As of spring 2018 (Prince et al., 2020). Information on required data matches has been revised to align with updated FNS policy.

^b The *Assessment of States' Use of Computer Matching Protocols in SNAP: Final Report* includes results from a survey of all 50 States, along with the District of Columbia, Guam, and the Virgin Islands. Of those, 51 States responded to the survey; Michigan and Texas did not provide complete responses prior to the close of the survey and were excluded from analysis.